ETHICAL LEADERSHIP, EMPLOYEE TRUST OF MANAGEMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOUR IN STATE CORPORATIONS IN KENYA

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature ………………………………….. Date ……………………….

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D61/71557/2014

This research project has been submitted for examination with my approval as University supervisor.

Signature ………………………………….. Date ……………………….

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DEDICATION

This piece of work is dedicated to my beloved daughters who have been a source of motivation in enhancement of managerial knowledge and skills. It is also dedicated to my dear parents who have been a source of encouragement in pursuing the Master of Business Administration degree.

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The process of this master's project writing has been a wonderful learning experience in my academic life. It was filled who with challenges and rewards. The completion of my present study leads to a new beginning and a step forward in my endeavors.

First and foremost I acknowledge the supremacy of the Almighty God of all creation whose assurance that He would never leave me or forsake me in my lifetime endeavors, including this study, was a pillar of strength.

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ABSTRACT

The competitive landscape of the 21stcenturyrequires organizations' leaders to be ethical. Ethical leadership is critical to leaders' credibility and their potential to exert meaningful influence. This credibility in ethical leaders is likely to have a significant influence on trust between leaders and follower. The determination of how organization citizenship behavior contributes indirectly to an organization through the organization's social system has lately, generated increasing interest to both scholars and managers. The objective of the study was to determine the effect of employee trust on the relationship between ethical leadership and organization citizenship behavior and organizational citizenship behaviour in State Corporations in Kenya. The study used cross sectional descriptive survey design. The population of the study was all the two hundred and twenty five State Corporations in Kenya. The study used stratified sampling to determine the sample size of 114. Data was collected using a structured questionnaire. Data was analyzed using descriptive statistics and presented using tables. The study established that the leaders at the management level of State Corporations in Kenya have developed codes of conduct and ethics which prescribes appropriate behavior for employees and leadership treats staff well by recognition, fairness, providing good working conditions, career growth, and involvement in decision making. Employees have trust the management as expressed by the respondents' feedback that the management does its best to ensure that the organizations were successful and serving organizations' interests. The respondents further expressed their trust by stating that their leaders have adequate capability of undertaking their role effectively as well as being trusted to make fair decisions on matters affecting employees, clients, suppliers and other stake holders of the organization. Organizational citizenship behaviors were found to have motivated employees to orient new workers on the job, teach co-workers new skills and to share job knowledge. The employees were involved on ways to improve their work and this has seen them give up meals and other breaks and even work beyond official working hours to complete their work. The study recommends that corporations should ensure that all employees participate in ethics training programmes. This serves as an opportunity for employees to learn and evaluate the impact of ethics on activities and organizational performance. It is also recommended that managers should: strive to become role models to their subordinates inspire subordinates by providing meaning and challenge to work; stimulate subordinate efforts to become innovative and creative; and pay attention to each individual's need for achievement and growth.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The present day operating landscape of the 21stcentury demands that organizations' leaders be ethical in their day-to-day dealings. An ethical leaderis vital to an organizations operations due to its ability to exert meaningful influence to the junior staff and that ethical leaders are likely to exert significant influence on trust between leaders and organizational employees (Bellingham, 2008).Ethical leaders are expected to be responsible and self-disciplined; and are expected to make followers understand what ethical practice is, establish clear ethical standards and be able to implement the same, and make decisions related to ethical principles. Consequently, Walumbwa&Schaubroeck(2009)point that ethical leaders are considered to be legitimate role models to organizational staff due to their high level of trustworthiness. Various studies show that ethical leadership influences positively an employee's job behaviours attitudes, such as turn-over intention, identification,supervisory trust, and is related to job satisfaction and organizational commitment. Further, when employees perceive reciprocal concern and fairness, they trust their supervisor more (De-Coninck& Bachmann, 2011). It is thus a reasonable to conclude that ethical leadership isresults increased employee trust on management and organizational citizenship behavior.

The current study was based on Social Exchange Theory (SET) and Social Learning Theory. SET opine that employees will act positively to the organization if they find that the organization has treated them well (Armstrong & Taylor, 2014). Under such a circumstance, employees reciprocate leaders' action towards them with their own positive actions towards the firm. The social exchange relationships between leaders and their subordinates develop from their

interactions and are motivated by the mutual benefits derived from the exchange (Lin, 2009).Employees' trust will tend to come to an end when the risks they are exposed is higher than the compensation they receive from the firm (Cherry, 2010) and this means that the theory explain how leaders affect organizational outcomes. Social learning theory is anchored on the argument that individualsstaff emulate existing attention to and emulate credible models and hence leaders must be attractive and credible role models to the rest of the staff. The theory therefore explains why some individual traits of a leader and environmentalcharacteristics influences are related to followers' thinking of a leader as an ethical leader. Further, the framework explainsthe features of an ethical leader and how they influence their followers (Brown and Treviño, 2006).

State Corporations are a common phenomenon in most countries, most countries. They have been created to accelerate social and economic development especially in the local areas. In Kenya, State Corporations have been undergoing scrutiny because of their unsatisfactory performance. The State Corporations have also been requesting year-in-year-out a huge chunk of government funds when undertaking projects and programmes. Further, increased adoption of new technologies,international trade and globalization of financial markets had exerted pressures for additional funds.The OECD aims atadvancement and improvement of efficiency in the government State Owned Enterprises and over time the practices have been taken up by many countries as a tool to improving the performance of the corporations. It is therefore important for Kenya to embrace these practices to enable these State Corporations actualize their full potential (Mohamed et.al, 2013).

1.1.2 Ethical Leadership

Armstrong and Taylor (2014) define leadership as motivating employees to do their best and achieve desired result and involves implementing a vision for the future, motivating people and securing their engagement. The scholars also amplify the definition by Dixon (1994: 214) that leadership is concerned with exerting an influence upon staff that they tend to act together towards achieving a common goal which might not have been achieved easily had they been left on their own. Ethical leadership is the expounding good conduct through interpersonal relationships as well as the promotion good conduct to followers through two-way communication,decision-making and reinforcement (Brown & Trevino, 2002). Dixon (1994) considers ethical leadership to be anchored on three fundamental components namely; personal integrity of a leader, how a leader is able to cultivate integrity among his or her followers, and the third parameter concerns the ability of a leader-follower relationship to bridge the moral person and moral manager components and pass their effects on followers (Heres&Lasthuizen, 2010).

Existence of ethical leadership in an organization is characterized by introduction of a proper vision, goals, care, and honesty among the staff. It also involves development of ethical attributes of a leader's efforts and living harmoniously with these principles where employees can flourish and be sustained. However, ethical leadership focuses also on moral values and fairness in decision making as well as being mindful of the impact that a particular decision will have to the company or society. Ethical leaders who mind their staff and motivate them to perform well are more inclined to creating a psychologically safe environment for staff to have a successful enactive mastery experience (Den Hartog&Belschak, 2012). Ethical leadership is expected to

create positive influence on employee performance, job responses and intrinsic motivation. In addition, leaders ethical attitudes can have positive impact on task and autonomy in their work. Ethical leadership is taken as an important factor in an organization, and this can be translated into a good management by organization staff (Van den Akker, 2009). The ethical leadership also emphasis leaders need to demonstrate and promote the appropriateness of ethical behaviors through reward systems and also promote ethics in the organization.

1.1.3 Employee Trust of Management

In general trust is the extent to which a person can predict the other's action in terms of what is normally expected of the other person in acting in good faith. Deluga(2001) and Gruman(2011) define trust as believing in someone without questioning to achieve a desired goal in a risky situation. On his part, Ferres(2005) defines trust as the extent to which a person is willing and confidentto act on the basis of, the actions and decisions of another. The development of trust has received prominence organizations alongside effectiveness and performance, and this shows that trust is a criticalfactor of effective leadership and component of follower's perceptions of who an effective leader is. Employees' trust in ethical leadership will enhance their adherence to rules and increase zones of differences which affect implementation of organizational change (VanZyl&Lazeny, 2012).This means that employees' trust in ethical leadership affects their performance in an organization performance, intention to remain and the adoption of civic virtue behaviour. Further, Dirks and Ferrin (2012) are of the opinion that trust in ethical leadership is important for building strong relations between leaders and subordinates as well as creating confidence in the leaders' character.

Trust of an employee is a critical aspect of interpersonal relationships and important to the development of leaders' career in predicting the organization outcomes (Butler, 1991).In

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addition, trust of management in organization improves cooperation and sharing information with subordinates. Brown (2005) notes that ethical leadership influences the effectiveness of trust for management in productivity outcomes. Therefore the management/leaders of organization need to have interaction with employee   which infers the trustworthiness of leaders from third party sources and distal observations.

1.1.4 Organizational Citizenship Behaviour

Organizational citizenship behavior (OCB) was defined by Organ (1988), as an employee behaviour that exceeds the call of duty and positively affects organizational effectiveness. It is discretionary by the employees and not recognized by the employing organization's formal reward system (Armstrong & Taylor, 2014).OCB reflects the actions undertaken by organizational employees that exceed the minimum role requirements expected by the organization and in the process increase the welfare of other workers in the organization (Lovell, 2009).Organizational citizenship behavior explains the individual employee behaviors that are important to the organization and have positively impact the effectiveness and efficiency of work teams and organizations. The OCB also enhance the psychological and social state of employees in the organization and this can be more productive and calls for innovativeness of the employees in their activities (Organ, 2001). The OCB facilitates coordinating of activities, increase in   organizational performance, and attractemployees.

Morrison (2004) points out that organizational citizenship behavior is also called extra role behaviour that exceeds the normal course of duty. Therefore, organizations cannot survive in absence of their employees conducting themselves as good citizens through engaging in positive behaviours. Several studies indicate that OCB has a positive result on organizational

performance through the resultant improvement in output, better group activity synergyand utilization of resourcesand ability to adapt to environmental changes.

The OCB plays an important role when individuals are self-motivated, understand and recognize the importance of an organization vision. As Williams (2005) elaborates that OCB is an expression of commitment of employees towards the organization and their willingness to remain in the organization. This indicates that organizations desire their employee to exhibit OCB since it improves the success of the organization. In organization setting, various forms of OCB are critical in providing quality and differentiated services that promote organization image. Altruism is a form of discretionary behaviour aimed at helping and motivating employees in performance of their duties efficiently and tackling the works assigned. This feature is with one another to achieve delivery of quality results (Lovell, 2009). Conscientiousness as another form OCB, helps employees to adhere to the set rules of their professions such as, punctuality at work, and being able to attend to their duties on timely manner. Thus citizenship behaviours is expected to influence organizational effectiveness through managerial and employees productivity, setting up resources for more productive purposes, reducing maintenance functions and being able to coordinate activities both within and across work groups. Further, it enhances an organization's capacity to attract the best employees, increase the predictability of the organization's performance, and effectively manage the environmental challenges (Podsakoff, 2010).

1.1.5 State Corporations in Kenya

According to Mohamed et.al, (2013) a State Corporation, also referred to as a parastatal is an entity incorporated and owned by majority by the government. In this context, a commercial

function that is profit oriented and catalyst of strategic socio-economic purpose. These entities are incorporated under the Companies Act Chapter 486. At present, Kenya has two hundred and sixty two (262) State Corporations. However, according to State Corporations Advisory Committee (SCAC) the 262 State Corporations are those established by law but not all of them are fully operational. The State Corporations that are fully operational are two hundred and twenty five (225) and are categorized according to their mandate under Financial; Commercial and Manufacturing; Public Universities; Training and Research; Service; Tertiary Education, Regional Development; and Training and Regulatory Corporations (SCAC database, September 2016).

State Corporations in Kenya have gone under a lot of reforms through government task forces and session papers to make them more efficient, effective in the performance of their mandate and to reduce the financial burden of the corporations on the public coffers. A lot of effort has gone in trying to make these corporations not only self-reliant but to make sure they can fund the government through the residual surplus after covering their costs of operations from the revenue they earn. Effective and functioning corporate governance is at the core in ensuring this is achieved as this would be to the benefit of the whole country as it moves towards the achievement of Vision 2030 (SCAC, 2010).

An Act of Parliament, State Corporations Act Cap 446, exists to make provision for the setting up of state corporations; for regulation and control of state corporations; and for connected purposes. He / She assigns responsibility relating thereto to the Deputy-President and cabinet secretaries.

Under the same Act Section 5 every state corporation shall have all the powers necessary to functions, State Corporations Act (2010). In addition there is a State Corporations Advisory

Committee (SCAC) that has been given the mandate to advice the government on matters relating to the general administration of State Corporations as spelt out in section 27 of the Act but also in sections of the act bestowing altogether a number of statutory functions (www.scac.go.ke). The persistent deteriorating status of state corporations has given the researcher the keen interest to investigate on the effect of ethical leadership and employee trust on organization citizenship behaviour on the State Corporation. The leadership at each State Corporation is mainly categorized in two, where the Board which gives policy direction and the Management which comprises of the Chief Executive Officers and the employees who report to them directly. Operations are carried out by the Management, middle and lower levels of each State Corporation and the Management is responsible employees in the middle and lower levels (SCAC database, September 2016).

1.2 Research problem

The determination of how organization citizenship behavior contributes to an organization performance and social system has recently led to increased interest to various interested groups such as scholars and managers. Smith, Organ and Near (2003) opine that organizations Citizenship Behaviour provides a tool for motivating staff in the work place through many unanticipatedchallenges, and enables employees in an organization to manage stressful situations through cooperation's. Previous literature points out that OCB affects organizational performance and that managers consider OCB when evaluating employee performance and determining who to be promoted and pay more (Podsakoff&MacKenzie, 2007). Thus, employees who subscribe to appropriate behaviour in an organization have been found to register increased job motivation level than the opposite cadre of employees. Furthermore, higher levels of OCB

lead to increased productivity and thus higher profitability. Ethical leaders are the source of satisfaction for employees (Brown and Trevino, 2009).

State Corporations are government owned companies, boards or organizations which help the government to run essentials functions of the government, therefore helping the Government achieve vision 2030 objective. Mohamed et.al, (2013) are of the view that ethical leadership and OCB are paramount for reforms of State Corporations in Kenya to be achieved. Among their recommendations, emphasis is placed on the need to develop appropriate governance framework for all State Corporations which lead to the development of State objectives and positioning of the organization; and encompass ethical leadership and transformative corporate citizenship. The Organization for Economic Development and Co-operation (OECD), of which Kenya is a member state, is credited with development of governance principles that encompasses ethical leadership (http://www.oecd.org). Mohamed et.al, (2013) reviewed the management of State Corporations in Western Countries, and China within OECD reveals that it is guided by a code of governance aligned to OECD's policies and recommended that Kenya should follow suit. A review of South Africa's case shows that ethical leadership is at the fore in the governance of the country's State Corporations (Institute of Directors in Southern Africa, 2009).

International studies that have been undertaken on employee trust on the relationship between ethical leadership and organization citizenship behavior include Poohongthong et.al (2014) who examined the studied ethical leadership and work-life balanceconfirmed that ethical leadership, organizational socialization, and work-life balance could predict the organizational citizenship behavior among teachers. Yates,(2011) studied the relationship of ethical leadership,

organizational commitment, and organizational citizenship behavior. The participants evaluated the top executive of their organizations using the Ethical Leadership and found a weak correlation between ethical leadership and organizational citizenship behavior.Kalshovenand Hartog (2009) studied ethical leader behavior and leader effectiveness and the results showed that leaders' ethical behavior was important for prototypicality, trust, and perceived leader effectiveness. Engelbrecht et.al (2014) carried out an exploratory study on the influence of ethical leadership and work engagement and found that there existed a positive relationship between ethical leadership and employee trust of management. Memiyanty et.al (2010) carried out a study on Ethical Leadership and Employee Trust and found that ethical awareness and accountability on the part of a leader had a positively and highly significant effect to employees trust.

However, there has been limited studies on the on the effect that ethical leadership and employee trust of management has on organizational citizenship behaviour, especially in developing countries like Kenya. Further, the researcher did not come across any study among the literature reviewed which examined all the variables in the present study simultaneously. Consequently, the research question to be answered was: What effect does employee trust have ethical leadership and organizational citizenship behavior in State Corporation in Kenya?

1.3 Research Objective

The objective of this study was to establish the effect of employee trust on the relationship between ethical leadership and organization citizenship behavior in State Corporations in Kenya.

1.4 Value of the Study

The value of establishing the nexus between ethical leadership, employee trust management and organization citizenship in State Corporation can help policy makers in governments to develop appropriate strategies and policies to stimulate growth and sustainability.The relationship between ethical leadership, employee trust of management and organizational citizenship behavior, as well as helping those policy makers to support, encourage this relationship. Regulators such as Nairobi Security Exchange, Capital Markets Authority and the Kenya Revenue Authority can also use the study the findings to improve on the framework for regulation and build investor confidence.

The management of State Corporation can find this study invaluable as they may apply findings in planning and building the relationship in State Corporations in future as the practitioners. This is because the findings show the kind of relationship existing between ethical leadership, employee trust of management as well as whether the organization behavior has significantly influence change management process in the company.

This study is of benefit to the academicians by having contributed to the existing body of knowledge in the area of ethical leadership, employee trust of management and organization citizenship behaviour. Academicians may use findings and various theories in other studies as a basis for further research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter, literature relevant to the study was reviewed. The key areas of literature that took center stage in this section include the theoretical and empirical literature. The study has further put into context relationship between perceived ethical leadership and employee trust of management and organizational citizenship behavior.

2.2 Theoretical Foundation

The study was anchored on Social Exchange theory and Social Learning theory.

2.2.1 Social Exchange Theory

The roots of Social Exchange Theory (SET) can be traced back to the 1920swhere the classical were James Frazer, Malinowski, Marcel Mauss and Levi-Strauss (Abraham, 1990; Cropanzano& Mitchell, 2005). SET has its genesis from philosophical and psychological orientations deriving from utilitarianism, which views human beings as rationally seeking to maximize their material benefits from transactions with others in a free and competitive market place. However, contemporary SET theorists have recognized that the actions of human beings are not always the way utilitarian thoughts portrayed them, though the assumption underlying SET is that human beings always seek to make some profit in their exchange transactions with others, which are to a significant extent governed by considerations of both material and non-material costs and benefits (Abraham, 1990).

Aselage and Eisenberger (2003) point that the reciprocation increases when both partners in an organization provide timely resources to the other. The resources to be exchanged becomes impersonal when it involves financial incentives or socio-emotional when it involves such

attributes as care, respect, and loyalty. Most notably, these relationship are used to explain the positive results that come about when employees respond to perceived organizational support (Wikhamn& Hall, 2012).In an exchangerelationship, one party provides benefits to the other party when the other has provided benefits in the past or is expected to do so in the future. One party will be willing to extent benefits to the other because in return, they will expect to receive benefits in equal measure from the other (Paine, 2003).

2.2.2 Social Learning Theory

According to Gibson (2004), Social Learning theory originates from the early Greekswho found that human beings learn through observation of others. During the period, education mostlyinvolved modelling and students were to observe and copy what was being presented. However, in the 1940s Miller and Dollard challenged this position through their beliefs that were based on stimulus-response theory. Latter Rotter's and Bandura's contributed to the theory as the most relevant explanations explaining adult behavior. In Rotter's view, the general formula for behavior is the possibility of the same occurring in any given situation which further depends on the expectancy level that the behavior will lead to a reinforcement in that situation and the value of thatt reinforcement (Rotter, 1982).The theoretical viewof Bandura is usually taken as a social learning theory but the extent of his approach has been much larger than its descriptive label.

Most individuals depend on others for ethical guidance (Kohlberg, 1969; Treviño, 1986). Power and statusare two common models that increase their attractiveness (Bandura, 1986), thus making it possible for followers to imitatetheir ethical leaders' modelled behavior. Most leadersexhibit authority due to the positions they hold compared with their followers. However, a

leaders' attractiveness involves h more than a mere authority and status. Ethical leaders are credible and trustworthy andpractice what they exhibit (Brown andTreviño, 2006).

2.3 Ethical leadership and Organizational Citizenship Behaviour

Ethical leaders are people-oriented and supportive. Rosen (2005) observes that ethical leadership positively affects employee's organizations citizenship behaviour. This is because ethical leadership is likely to lead to employee prosaically behavior because of social learning and the social exchange relationship (Bailley, 2006). Leaders are considered people with power and status, and therefore can become models of interest to employees. Employees know which behavior is right under different circumstances and they will copy such (ethical) behavior. This means that where there is ethical leadership, employees consider that to be a good relationship with their ethical leaders and that their leader can be trusted and care for the employees (Podsakoff, 2010). Therefore, leaders can demonstrate ethical behavior to their employees to generate OCB (Brown, 2005) and this include acting as a role model, supporting career opportunities and providing psychological support to employees. These actions overlap with the definition of ethical leadership of Brown (2005), in which ethical leaders are expected to be actively involved with their employees, listen to them, and show their norms and values in their actions, communication and behavior. Moyosore (2011) points that role modeling allows employees to copy and imitate the behavior of their ethical leader and therefore when a leader takes a personal interest in employees and acts on behalf of the organization, it stimulates OCB among the employees. He also emphasizes that when an ethical leader supports the career of an employee, it will positively affect the OCB level of this specific employee.

Brown (2005) states that when a leader acts, and behaves ethically, employees will be inclined to show more OCB directed to the organizations and colleagues. Further, employees will be

motivated to put more effort to their job and will be more willing to solve problems that arise to the management. Hopkins, (2002) researched on ethical leadership among school administrators and the organizational citizenship behaviors of the staff and concluded that ethical leadership of had a significant effect on the employees' organizational citizenship behavior. This indicates that organizational citizenship behavior is correlated to both, informal and formal leadership in an organization. For directive leadership, organizational citizenship behavior was found to be negatively related ethical leadership and in case of supportive leadership it holds a positive relationship with it. Dale (2008) further show that efficient ethical leadership increase employees problem solving capacity and also develops the perception of employees towards citizenship behavior. Papalexandris (2010) also posit that ethical leadership is associated with the organizational culture which helps in setting up organizational citizenship behavior given thata more supportive leadership style leads to a higher degree of presence of organizational citizenship behavior in the organization.

2.4 Employee Trust of Management and Organizational Citizenship Behavior

When employees trust an organizations' management to preserve their interests, they perform at the individual level, engage in actions that go beyond their formal job descriptions(Mey et.al, 2014). In their research, of interpersonal trusts and work behaviors, Dirks and Ferrin (2002) find a positive effect of trust between leaders and employees and OCB. The findings showthat the actions and practices a leader engage influence the trust of subordinates, but also predicted the chance of an employee behaviour, attitudinal, and performance outcomes on work life.

In another study that sought to find if different aspects of trust and how they correlate with OCB,the findings from this study show that interpersonal correlate with OCB. Petrella(2013)

summarized various studies that looked at interpersonal trust and found that both organizational trust and overall trust were significantly correlated with OCB, but neither was as strong as interpersonal trust. Specifically, the findings revealed a positive OCB exist when individuals have higher rates of trust and super ordinates (Petrella, 2013). According to Advisory, Conciliatory and Arbitration Services UK (ACAS) (2012),there are several documented benefits of having employee trust of management within organisations. This is because employees who trust the management of an organizations demonstrate work life behaviours that lead to peaceful co-existence with other teams. These staffexhibit higher job satisfaction levels and therefore are likely to recommend their employer to others and their intention to remain high. Employees are also less likely to resist change if they trust the management (ACAS, 2012).

2.5 Ethical Leadership and Employee Trust of Management

Trust of the management can be defined as the willingness of an organization to accept vulnerability because of the positive expectations of the managementactions (Collier, and Esteban, (2007). Trust has different dimension concept (Paine, 2003) since it includes competence which is management believe on their ability to perform what they promise and also the extent to which the management is seen as able the steer the organization in the competitive business environment and survive in the marketplace; dependability/reliability which is the management behaviour will do what promises and behaves consistently. The employees will also have a concern for employees through such actions caring and tolerance that are exhibited when the organization is vulnerable in business activities (Paine, 2003). Other features of trust include integrity that deals with the capacity of management to be fair and just; proper identification which measures the capacity of individual's goal setting, and beliefs related with ones organization's culture and portrays how connected individuals feel to the management and co-

workers. In addition, the other attribute of trust the ability of employees to be satisfaction with the benefits from the organization which outweigh the costs in the relationship (Paine, 2003).

Mehmood (2016) established that ethical leadership and employee trust of management is important where team member communications need trust, empowering behavior and fairness (Den Hartog& De Hoogh, 2009). Therefore, organizations staff members come up with trust in their managers, they will be enthusiastic to be ethical (Hoyt, Price &Poatsy, 2013). However, if employees think their leaders are unethical, they face more pressure and depression in their work.Counterproductive actions such as deceitful during problem-solving tasks, which results in reduced performance and outcomes.

2.6 Ethical Leadership, Employee Trust of management and OCB

Several studies have been carried out to establish the nexus between Ethical Leadership and OCB; Employee Trust of Management and OCB; and Employee Trust of Management and Ethical Leadership which have found high frequency of correlation amongst the variables. Arguments on the relationship between Ethical Leadership and OCB for instance include that of Bailey (2006) who claims that ethical leadership leads to employee prosaically behavior because of social learning and the social exchange relationship; and Moyosore (2011) who notes that role modeling allows employees to copy and imitate the behavior of their ethical leader. Scholars who have studied the relationship between Employee Trust of Management and OCB include Mey et.al, (2014) posit that employees trust their management and are willing to perform beyond their expectations. They further find that find that both organizational trust and employee trust were significantly correlated with OCB. ACAS (2012) is in support with this because there are many highlighted benefits of developing employee trust of management within organisations.

From this findings it seems clear that the management of an organisation trust is better targeted to liase with its people and help them adapt, grow and prosper (ACAS, 2012).

The relationship between Employee Trust of Management and Ethical Leadership has also been explored by various scholars including Ponnu and Tennakoon (2009) who noted that employee trust of management has been flagged as an important component of effective leadership and a key component of a follower's perceptions of effective leadership;it boosts employees' compliance with organizational rules and lawsand directly influences their contributions to the organization in terms of performance, intent to remain and civic virtue behaviour.Based on the reviewed literature, the study expected to find employee trust of management to strengthen the relationship between ethical leadership and organizational citizenship behavior. Moreover, the literature that was reviewed indicated that limited studies, if any, had been carried out to establish the effect of employee trust of management on the ethical leadership and organizational citizenship behavior especially African countries such as Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

A cross sectional descriptive survey design was adopted. Cross sectional descriptive design aim to describe a subject, by creating a profile through which data is collected.

3.2 Population of Study

The population of the study was 225fully operational State Corporations in Kenya.

Table 3. 1: Population Size per sector

Category	Number pre sector	Percent (numberpersector÷ population x 100)
Financials corporations	26	11
Commercial corporations	44	19
Public Universities	31	14
Training and research Institutes	13	6
Service corporations	49	22
Regional development and Tertiary Training Institutes	13	6
Regulatory corporations	49	22
Total	**225**	**100**

Source: SCAC database, (September 2016)

3.4 Sample Design

The researcher used stratified sampling because of ease of classifying the population into strata.

A representative sample is one that is atleast ten (10%) percent of the total population

(Mugenda&Mugenda, 2003).A sample of 25%, which is equivalent to 57 participants, was considered representative and therefore appropriate for the study as it surpassed the minimum requirement. Respondents were equitably selected randomly from each strata of the target population. This approach was considered appropriate since it ensured a representative sample. Further, the respondents were drawn from employees in the middle level who are usually line managers who supervise staff in the lower level and report to the management which comprised of the CEO and employees who report to the CEO (SCAC database, September 2016).

In order to find the best possible sample, stratified random sampling was the best method to use as it provided rich and in-depth information. The sample size was appropriate for the study as it ensured that all the categories in the state corporations were represented thus reducing sampling bias and achieving a high level of representation.

Table 3. 2: Sample Size per sector

Category	Percentage of population	Sample Size (percentage per stratum x total sample size of 57)
Financials corporations	11	6
Commercial corporations	19	11
Public Universities	14	8
Training and research Institutes	6	3
Service corporations	22	13
Regional development and Tertiary Training Institutes	6	3
Regulatory corporations	22	13
Total	**100**	**57**

3.5 Data Collection

The study used primary data that was collected through questionnaires that were structured and designed to elicit targeted responses for qualitative and quantitative analysis. Questionnaires are easy to formulate and administer, andthey provided a relatively simple and straightforward approach to the study of attitudes, values, beliefs and motives (Robson, 2002). The questionnaire contained foursections. Section A contained the demographic information; section B contained questions on ethical leadership; section C contained questions employee trust of management while section D contained questions on organizational citizenshipbehaviour.

The questionnaires were distributed to the respondents who were selected through random sampling among employees in Finance and Human Resource departments of the sampled State Corporations.One respondent was selected from each of the two departments in the State Corporations that were sampled hence 114 questionnaires were distributed.

3.5 Data Analysis

The data collected was edited to identify and remove errors made by respondents. Edited data was then coded in order to translate responses into specific categories. Descriptive statistics measurewas used to describe the responses as it was an appropriate method of presenting the findings of the study. Presentation of the results was done in tables. To test that employee trust moderates the relationship between ethical leadership and organization citizenship behaviour, stepwise regression analysis was used with three models as shown below:

$Y = \alpha + \beta_1 X_1 + \varepsilon$ ………………………………………………………………… (1)

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$ ………………………………………………………..(2)

$$Y = \alpha + \beta_1 X_1 + \beta_2 X2 + \beta_1 X_1 * \beta_2 X_2 + \acute{\varepsilon} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (3)$$

Where,

Y	-	Employee Citizenship Behaviour
$\beta_1 - \beta_2$	-	Regression Coefficients
X_1	-	Ethical leadership
X_2	-	Employee trust

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains the description of the respondents' background, the dependent variable and the verification of hypotheses. The findings are presented in percentages and frequency distributions, mean and standard deviations.

4.2 Demographic Characteristics of Respondents

The demographic characteristics considered in this study included the level of respondents' education, length of continuous service and number of employees in State Corporation.

4.2.1 Length of Continuous Service

This section sought to find out the period to which the respondents had worked in the respective State Corporation. The results are presented in Table 4.1.

Table 4. 1: Length of Continuous Service

Category	Item	Frequency	Percentage	Cumulative
Length of continuous service	Less than 5 years	11	25.0	25.0
	Between 5 and 10 years	19	43.2	68.2
	Over 10 years	14	31.8	100.0

On the length of continuous service, it was found that majority (43.2%) of the respondents have worked in the State Corporations for a period between 5 and 10 years while 31.8% of the respondents indicated that they have worked in State Corporations for more than 10 years. This

means that over 75% of the respondents had worked for a period of 5 years and more. The findings also show that 25% of the respondents had worked in State Corporations for less than 5 years.

4.2.2 Number of Employees

The respondents were also requested give information on the average number of employees who work at the State Corporations. The findings are presented in Table 4.2.

Table 4. 2: Number of Employees

Category	Item	frequency	percentage	Cumulative
Number of employees	Less than 200	23	52.3	52.3
	Between200 and 399	12	27.3	79.6
	Above 400	9	20.4	100.0

The results on the number of employees working in the State Corporation show that 52.3% of the state Corporations have less than 200 employees and27.3% of the State Corporations have between 200 to 399employees. In addition, 20.4% of the State Corporations had more than 400 employees. The results indicate that most of the State Corporation has less than 200 members of staff.

4.2.3 Level of Education

The researcher sought to also establish the educational level of the respondents. The results are presented in Table 4.3.

Table 4. 3: Education Level

Category	Item	Frequency	Percentage	Cumulative
level of education	Postgraduate level	15	34.1	34.1
	University	23	53.3	87.4
	Tertiary College	6	13.6	100.0

The results on the level of education indicate that 53.3% of the respondents have attained university level while 34.1% of the respondents indicated that they have postgraduate level of education. This implies that majority of the respondents (88%) had university level of education and, ceteris paribus, they are knowledgeable enough to understand the research questions and therefore answer the questions appropriately. The respondent noted that 13.6% of the respondent had attained tertiary. The results indicate that majority of the respondents have attained university level of education and therefore they have knowledge necessary to provide answers to the research questions.

4.3 Ethical Leadership

Ethical leadership is important to any organization as it helps in guiding the organization employees towards achievement of organizational objectives.

4.3.1 Ethical Code of Conduct

This section of the questionnaire sought to find from the respondents whether leaders at the management level in the State Corporation uphold ethical code of conduct in their day-to-day operations. The findings are presented in Table 4.4.

Table 4. 4: Ethical Code of Conduct

Details	Frequency	Percentage	Cumulative Percentage
Yes	33	75.0	75.0
No	11	25.0	100.0
Total	44	100.0	

The results shows that 75% of the respondents supported that the leaders at the management level in the State Corporations uphold ethical code of conduct while 25% were not in agreement that the State Corporations' leaders uphold the ethical code of conduct. This implies that leaders at the management level in the State Corporations uphold the provisions of the ethical code of conduct in their day to day operations and this helps the management and its employees to drive the organization towards achievement of desired objectives.

4.3.2 Ethical Characteristics of Leaders at the Management Level
This section of the questionnaire sought to assess various ethical characteristics of leaders at the State Corporation in Kenya. The respondents were required to indicate the extent to which they agreed with various characteristics ranging from 'Not at all (1) to 'Very Great extent' (5).

Table 4. 5: Ethical Characteristics of Leaders at the Management Level

Statement	Mean	Std. Deviation
The leadership has developed a code of conduct and ethics which prescribes appropriate behavior for employees.	4.4773	1.16248
The leaders' behavior in official duties, private life and association with others does not demean the offices they hold at the State Corporation.	3.9773	.90190
The leadership treats staff well by recognition, fairness, providing good working conditions, career growth, and involvement in decision making.	3.9630	.91038
The leadership upholds high ethical standards and encourages employees to do the same.	3.7045	.85125
The leadership usually takes punitive action in cases where employees breach the code of conduct and ethics.	3.6364	1.10160
The leaders do not compromise any official interest in favour of personal interest.	3.5909	.99576
The leaders exhibit a pattern of openness and clarity in theirbehavior towards others by sharing information required to make decisions.	3.5455	.97538
Due to their transparency, the leaders shares information on existing operating conditions, decisions and actions with all concerned staff.	3.5227	.99974
The leaders are not only concerned with the results but emphasize more on achieving the results within the set ethical standards.	3.2727	1.06452
The leaders often discuss ethics and values with employees.	3.2273	1.16166
The leadership is committed to doing what is right as per the expectations of Kenyan residents.	3.0000	1.07833

Source: Research Data, 2016

The findings show that most State Corporations leaders have developed codes of conduct and ethics which prescribes appropriate behavior for employees (M=4.4773) and the leaders' behavior in official duties, private life and association with others does not demean the offices they hold at the State Corporations (M=3.9773). In addition, the study found that management in the State Corporations treat staff well by recognition, fairness, providing good working conditions, career growth, and involvement in decision making (M=3.9630) and both the management, the junior staff are also expected to uphold good ethical conduct in their work(M=3.7045). On the lower side of the continuum, it was found that management is not only concerned with the results but emphasize more on achieving the results within the set ethical standards (M= 3.2727) and they often discuss ethics and values with employees (M=3.2273).

4.4 Employee Trust of Management

Employee trust of management is concerned with their capacity to accept vulnerability because of positive expectations of the intentions of the organization. This means that if the management portrays such attributes as honesty, kindness, generosity and acceptance, then the employees will trust them more. The results on employee trust of management are presented in Table 4.6.

Table 4. 6: Employee Trust

Statement	Mean	Std. Deviation
I am confident that the management will always do their best to ensure that the organization is successful	3.7500	1.0593
I am confident that management serves the organization's best interests	3.6818	.90920
I have no doubt that leaders at the management level have adequate capability of undertaking their role	3.5909	1.1875
I have no doubt that the leaders at the management always make fair decisions on matters affecting employees, clients, suppliers and other stake holders of the organization.	3.5909	4.7019
Whenever the leaders at the management level make decisions, I know they will be concerned about the employees.	2.7273	1.2269
I am confident that the management considers the opinion of employees in making decisions.	2.6818	1.1964
I have no doubt that the management will always communicate all the information required by employees to perform their duties successfully.	2.5909	1.3862
The leaders at the management level can be relied on to keep their promise	2.3636	1.2775
I have no doubt that the leaders at the management level will always accomplish what they say they will do.	2.2955	1.2864
The leaders at the management level are known to be successful in the projects they decide to undertake	2.2826	1.1537
The management relies on sound principles in performing their role	1.9257	0.9951

Source: Research Data, 2016

From the findings regarding employee trust of management, the respondents indicated that the employees are confident that the management will always do their best to ensure that the organization is successful (M=3.75000) and this is supported by the employees' trust that the management serves the organization's best interests (M=3.6818). In addition, the State Corporation employees trust that the management has adequate capability of undertaking their role effectively (M= 3.5909) as well as being trusted to make fair decisions on matters affecting employees, clients, suppliers and other stake holders of the organization (M=3.5909). However, there was variance in the answers from the respondents since the standard deviation was greater than 1.0. To a small extent, the results show that employees trust the management to be successful in the projects they decide to undertake (M=2.2826) though the variance among the respondents was high (SD=1.1537) and that the management relies on sound principles in performing their role (M=1.9257).

4.5 Organization Citizenship Behaviour

Organizational citizenship behavior is that employee behaviour that calls for them to go beyond and above the call of duty and when this is achieved, it will lead to improved organizational effectiveness. The capacity of ethical leadership to influence employee citizenship behaviour. The results are presented in Table 4.7.

Table 4. 7: Organization Citizenship Behaviour

	Mean	Std. Deviation
Employees are motivated to orient new workers on the job, teach co-workers new skills and to share job knowledge.	4.1046	.9524
Employees always offer suggestions to improve how work is done.	3.9477	.8757
Employees often give up meals and other breaks and even work beyond official working hours to complete their work.	3.6091	.9891
Employees always strive to make the organization's clients, guests and colleagues happy and hence portray good corporate image for the organization	3.3409	.9136
Employees always strive to make the organization's clients, guests and colleagues happy and hence portray good corporate image for the organization	3.0455	1.1197
Employees sometimes use their personal resources for the benefit of the organization.	2.9318	1.1891
Employees usually say good things about the organization.	2.9318	1.1693
Employees often volunteer to work during weekends to complete their tasks in time.	2.8409	1.0330
Employees sometimes use their personal resources for the benefit of the organization.	2.5682	1.1493
Employees often volunteer for extra assignments	2.4545	1.2096

Source: Research Data, 2016

From the findings, majority of the respondentsbelieve that employees are motivated to orient new workers on the job, teach co-workers new skills and to share job knowledge (M= 4.1046) and that the State Corporation employees always offer suggestions to improve how work is done (M= 3.9477). In furtherance of the OCB, the study also found that employees often give up meals and other breaks and even work beyond official working hours to complete their work

(M=3.6091) and they always strive to make the organization's clients, guests and colleagues happy and hence portray good corporate image for the organization (M= 3.0455). Arising from ethical leadership, employees also say good things about the State Corporations (M= 2.9318) and are willing to volunteer for extra assignments that arise in their organizations (M=2.2424).

4.6 Test for the Effect of Employee Trust of Management on the Relationship between Ethical Leadership and Organization Citizenship Behaviour

To establish the effect of employee trust on the relationship of ethical leadership on organization ethical behaviour of State Corporations in Kenya, a stepwise regression analysis was run. The results are presented in Table 4.6.

Table 4. 8: Stepwise Regression Results for the Effect of Employee Trust on the Relationship between Ethical leadership and organizations Citizenship Behaviour

Model Summary [a]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.337[a]	.114	.108	.3544
2	.520b	.272	.216	.8426
3	.785c	.616	.010	.3733

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.336	1	2.336	11.177	.000[b]
	Residual	18.208	87	.209		
	Total	20.544	88			
2	Regression	11.714	2	5.857	4.893	.000b
	Residua	102.953	86	1.197		
	Total	114.667	88			
3	Regression	.335	3	.112	0.471	.123c
	Residual	20.209	85	.238		
	Total	20.544	88			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.546	.101		15.316	.000
	Ethical leadership	-.140	.032	-.337	-4.313	.000
2	(Constant)	2.987	.253		11.801	.000
	Ethical leadership	.237	.081	.516	2.926	.004
	Employee trust	4.93	1.342	.674	3.674	.580
3	(Constant)	8.146	4.302		1.894	.000
	Ethical leadership	.140	.032	.337	4.313	.132
	Employee trust	12.014	8.781	.578	1.368	.428
	EL*ET	0.381	0.528	.572	0.722	.681

a. Dependent Variable: Organization Citizenships Behaviour

b. Predictors: (Constant): Ethical leadership, Employee trust of management and interaction between ethical leadership and employee trust of management

NOTE:

EL - Ethical leadership

ET   - Employee Trust

The correlation coefficient, r, for model 1 is 0.337. This implies that that ethical leadership is moderately correlated with the employee organization citizenship behaviour. The coefficient of determination, R^2, for model 1 is 0.114 meaning that 11.4 % of the employee OCB is influenced by the ethical leadership in an organization. Model 2 results shows that 27.2% of the organization citizenship behaviour is influenced by ethical leadership and employee trust. The correlation was much higher at r= 0.52. However, model three 61.6% of the variance in the Organization Citizen Behaviour is accounted for by the two predictor variables, namely ethical leadership and employee trust in management. The ANOVA results indicate that the regression model was significant and thus was fit for the analysis (F=11.177, P < 0.05) and the same results was found with Model 2 but not model 3 which was insignificant at α=0.05. However, in Model 2 F-Value declined from 11.177 to 4.893. Regression model 2 was equally significant and fit (F – 89, p < 0.05).

As represented in coefficient table, the standardized coefficient of Model is negative though significant (β = -.337, t = - 4.313,p < 0.05).When employee trust was added to the model (Model 2), containing ethical leadership, the coefficient of ethical leadership increased and was significant (β = .237, t = 2.926,p < 0.05). This meant that a one-unit increase in the use of

employee trust increased the variation of in Organizational Citizenship Behaviour in the State Corporations.

4.7 Discussions of the findings

In today's business environment that organizations have to cope with rapidly changing environments, organizations' leaders face new realities in their managerial responsibilities. Being able to work in flexible environment and be able to connect in real-time electronically, the increasingly mobile employees continue to be critical resources of their organizations. State Corporations require leaders who can be simultaneous agents of change and centers of gravity, keep internal focus and enable people and organization to adapt to change and be successful. The findings of the study showed a positive relationship between ethical leadership and organizational citizenship behaviour in State Corporations in Kenya. Further, employee trust of management strengthens the correlation. Leaders at the management level of State Corporations are perceived to be ethical and this has led to organizational citizenship behavior. Further, employees in the State Corporations trust the leaders at the management level in the in regard to integrity, competence, concern for employees and reliability dimensions of trust. Employee trust of management had a significant positive impact on the relationship between ethical leadership and organizational citizenship behaviour as trust developed from the perception of the leaders being ethical and it increased the tendency of OCB amongst employees.

Evidence of the there being correlation between ethical leadership, employee trust of management and organizational citizenship behavior was revealed by the respondents. The respondents revealed their perception of the management in State Corporations practicing ethical leadership by indicating that the leaders have developed codes of conduct and ethics which prescribes appropriate behavior for employees and they treat staff well by recognition, fairness,

providing good working conditions, career growth, and involvement in decision making. Further, the management is not only concerned with results but emphasizes more on achieving the results within the set ethical standards and would take punitive action in cases where employees breach the code of conduct and ethics. The management also discusses ethics and values with employees and is committed to doing what is right. The results of the study are consistent with the findings of various other studies such as Brown and Trevino (2006) that ethical leaders are attractive and legitimate role models who focus followers' attention on their ethical standards and their normatively appropriate behavior; Bailey (2006) who claims that ethical leadership leads to employee prosaically behavior because of social learning and the social exchange relationship; and Moyosore (2011) who notes that role modeling allows employees to copy and imitate the behavior of their ethical leader.

Employees are the most important assets in organizations, without which, the organization cannot attained its goals and objectives and therefore they need a management that they can trust. Trust is important in State Corporations as it has an effect on OCB which translates to better performance, and if broken is likely to result in serious problems to the State Corporations. The study revealed that employees in the State Corporations trusted the management to do their best to ensure that the organization was successful by serving organization interests; they trust that their leaders have adequate capability of undertaking their role effectively as well as being trusted to make fair decisions on matters affecting employees, clients, suppliers and other stake holders of the organization

Organization citizenship behavior is important to the all organizations as it contributes to organization effectiveness. In the State Corporations, the study found out that employees are motivated to orient new workers on the job, teach co-workers new skills and to share job

knowledge. The employees were involved on ways to improve their work and this has seen them give up meals and other breaks and even work beyond official working hours to complete their work. The employees always strive to make the organization's clients, guests and colleagues happy and hence portray good corporate image for the organization. The results of the study were in agreement with Podsakoff and MacKenzie (2009) findings that OCBs may enhance co-workers' productivity through helping behavior. It may enhance managerial productivity through courteous behavior of employees or through civic virtue, as civic virtue positively influences agency effectiveness. The behaviors improve the organization's performance and ability to attract and retain the best people, making it a desirable place to work. Employees, by being conscientious and sharing the load of those absent or with heavy workloads, may enhance stability of the work-unit performance. OCBs may also help in improving an organization's ability to adapt to environmental changes (Podsakoff, 2010).

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

The success of any firm whether large, medium and small will in some way depend on management ethical leadership and competencies level. Ethics does not only apply to those at the helm of organizations; all individuals no matter the level in the organization should abide by ethical rule. Thus, every organization should put mechanism in place including codes of conduct to be followed by all the organization employees in order to guarantee the firm success in the businesses environment. The State Corporations being government entities should be guided by principles leadership and integrity under chapter six of the Constitution of Kenya; the national values and principles of governance under Article 10 and values and principles of public service under Article 232 of the Constitution of Kenya in pursuit of attainment of their objectives. The study found out that the management at the State Corporations has developed codes of conduct and ethics which prescribe appropriate behavior for employees and the leaders treat staff well by recognition, fairness, providing good working conditions, career growth, and involvement in decision making. The results further showed that the leaders do not misappropriate the organization's funds and other resources.

Creating results in today's businesses requires leadership that is competent to strategically influence the organizations in adapting to change. In the state corporations, the study revealed that leaders ensure that the tools and equipments required by employees to be productive are available and the leaders are known to successfully accomplish what they plan. In addition, whenever work related hazards are detected, the leaders communicate the same to employees to

enable them avoid exposure to danger and disciplinary action is always applied to employees in good faith by the leaders.

Since organizations and their environments transform rapidly, employee trust of management is important as it boosts their compliance with organizational rules and amplify their zones of indifferences which facilitate the implementation of organizational change. Findings of the study showed that, employees in State Corporations trust that their leaders have adequate capability of undertaking their role effectively as well as being trusted to make fair decisions on matters affecting employees, clients, suppliers and other stake holders of the organization. Organization citizenship behavior is also important to all organizations as it contributes to organization effectiveness. In the state corporations, the study found out that employees are motivated to orient new workers on the job, teach co-workers new skills and to share job knowledge. The employees were involved on ways to improve their work and this has seen them give up meals and other breaks and even work beyond official working hours to complete their work.

5.2 Conclusion
Ethics is a worldwide drive and it is important for all organizations leaders to take proactive measures in entrenching ethical practices in the organization's activities by presenting themselves as role models that are seen to be ethical. Ethical leaders are thought to have a broad awareness for all stakeholders, including employee. Therefore, leaders must create an ethically friendly working environment for all employees, communicate ethical issues, serve as role models and put in place mechanism for the development of responsible employees. It is expected that leaders who are perceived as being ethical would not only exhibit integrity and high professional standards that define their competence but would also be reliable and would consider the needs and right of employees and treat them fairly. Indeed, every employees want to

work for an employer that they would trust and as such, the management has to fulfill its obligations on ethical issues and rise up to these expectations.

Based on the research findings, it can be concluded that the leaders at the management level in State Corporations in Kenya have developed codes of conduct and ethics which prescribes appropriate behavior for employees and they treat staff well by recognition, fairness, providing good working conditions, career growth, and involvement in decision making. It can also be deciphered that the management ensures that the tools and equipment's required by employees to be productive are available and the leaders are known to successfully accomplish what they plan. In addition, Management's involvement of employees in decision making is important as it helps improve the working environment of the employees thus they are motivated to engage in organizational citizenship behavior such as teaching co-workers new skills and to share job knowledge, volunteering for extra assignments, working beyond official working hours to complete work in time, and saying good things about the State Corporations. The success or failure of an organization is therefore directly connected to organizational ethical leadership which is manifested through the values that the leaders uphold and propagate in the face of opportunities and constraints that confront organizations at specific moments.

5.3 Limitations

The major weakness in this study is that it was limited in scope. This means that the findings cannot be over generalized. This study was conducted with analysis of data that was collected from employees who work in the Finance Departments of State Corporation in Kenya. It is possible that their exposure and working environment contributed significantly to their perceptions of the ethical values of their leaders, their trust of management and organizational citizenship behavior. There is need therefore to also get the views of populace in the county.

5.4 Recommendation for Policy and Practice

The employees of the State Corporations are an important resource and therefore it is recommended that the management at the State Corporations should strive to uphold ethical practices while executing human resource management functions such as recruitment and selection, training and development, reward management, among others. A lot of emphasis should be placed on recruiting leaders with relevant competency and who demonstrate the attributes of ethical leadership as such leaders would not only be role models for other employees to emulate but will also inspire employee trust that will motivate workers to deliver their best to the State Corporations. Information that is useful in predicting ethical behaviour of prospective leaders can be obtained from resumes, reference checks, background checks and integrity tests, feedback from clients and other stakeholders and vetting by various government agencies concerned with promoting ethics. Frequent training of employees in the State Corporations on ethics is important as it would help inculcate and maintain values that would translate to ethical behavior amongst the organization's leaders and staff hence leading to superior performance of the organizations. The impact of the training on ethical behavior in the organization would be more significant if is made a mandatory requirement for all employees to participate in the training programmes.

Theoretically, the findings of the study supports thatemployee trust of management strengthens the relationship between ethical leadership and organizational citizenship behaviour in State Corporations in Kenya. This implies that the ethical leadership, employee trust of management and organizational citizenship behaviour should be adopted in the organization for better performance and productivity. It is also recommended that managers should: strive to become role models to their subordinates; inspire subordinates by providing meaning and challenge to

work; stimulate subordinate efforts to become innovative and creative; and pay attention to each individual's need for achievement and growth.

5.5 Suggestion for Further Research

The research suggests that further investigation on theeffect of ethical leadership, employee trust of management and organizational citizenship behaviourin state corporations in Kenya. The study recommends that further study be undertaken in private organizations and a comparison of the findings is undertaken. In addition, other researchers can test other moderators on the ethical leadership employee trust of management and organizational citizenship behaviour and identifying which of the variables have the most significant can fit. Other studies should consider introduction of other moderating variables.

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APPENDIX I: QUESTIONNAIRE

Section A: Demographic Characteristics

1. Name of the state corporation (Optional)…………………………………………………..

2. Length of continuous service with the state corporation?

   a) Less than 5 years[   ]   **b)**   Between 5 and 10 years [   ]   **c)** Over 10 years[   ]

3. How many employees does your corporation have?

   a) Less than 200   [   ]   **b)**   Between 200 and 399   [   ]   **c)**   Above 400   [   ]

4. What is your highest level of education qualification?

   a) Post graduate level [   ]   **b)** University [   ]   **c)** Tertiary College [   ]   **d)** Secondary[   ]

SECTION B: Ethical Leadership

5**.** In your view do you believe that the top leadership in the state corporation you work for uphold ethical code of conduct in their day-to-day operations?

   Yes   [   ]   No   [   ]

6. To what extent do you agree with the following statements regarding characteristics of leaders at the management level of the State Corporation you work for, and the trust exhibited by employees? Use **5) Very Great extent; 4) Great extent; 3) Moderate extent; 2) Low extent; 1) Not at all**

Statement	5	4	3	2	1
I expect the leadership to take punitive action in cases where the employees breach the code of conduct and ethics.					
The leadership is committed to doing what is right as per the expectations of Kenyan residents.					
The leaders demonstrate high level of moral value which emphasizes their trustworthiness.					
The leadership has developed a code of conduct and ethics which prescribe appropriate behavior for employees.					
The leadership upholds high ethical standards and encourages employees to do the same.					
Due to their transparency, leadership shares information on existing operating conditions, decisions and actions with all concerned staff.					
The leaders exhibit a pattern of openness and clarity in their behavior toward others by sharing the information needed to make decisions.					
The leaders disclose their personal values and motives in a manner that enables staff to accurately assess the leaders' ethical actions.					
The leadership has developed a culture of clear processes and procedures through easy access to information for employees on ethics.					
The leadership works according to the standards set for them.					
The leadership treats staff well by recognition, fairness, providing good working conditions, career growth, and involvement in decision making.					

SECTION C: Employee Trust of Management

7. To what extent do you agree with the following statements regarding how you trust leaders at the management level in the State Corporation you work for? Use **5) Very Great extent; 4) Great extent; 3) Moderate extent; 2) Low extent; 1) Not at all**

Statement	5	4	3	2	1
I have no doubt that leaders at the management level have adequate capability of undertaking their roles.					
I have no doubt that the leaders at the management always make fair decisions on matters affecting employees, clients, suppliers and other stake holders of the organization.					
I am confident that management serves the organization's best interests.					
I have no doubt that the management will always communicate all the information required by employees to perform their duties successfully.					
The leaders at the management level can be relied on to keep their promise.					
I am confident that the management will always do their best to ensure that the organization is successful.					
I am confident that the management considers the opinion of employees in making decisions.					
I have no doubt that the leaders at the management level will always accomplish what they say they will do.					
The management relies on sound principles in performing their roles.					
The leaders at the management level are known to be successful in the projects they decide to undertake.					
Whenever the leaders at the management level make decisions, I know they will be concerned about the employees.					

SECTION D: Organizational Citizenship Behaviour

8. To what extent do you agree with the following statements regarding voluntarily engagement by staff in your State Corporation in extra roles than they are required to do as a result of the actions of the leaders at the management level? Use **5) Very Great extent; 4) Great extent; 3) Moderate extent; 2) Low extent; 1) Not at all**

Statement	5	4	3	2	1
Employees are motivated to orient new workers on the job, teach co-workers new skills and to share job knowledge.					
Employees often volunteer for extra assignments.					
Employees often volunteer to work during weekends to complete their tasks in time.					
Employees usually say good things about the organization.					
Employees often give up meals and other breaks and even work beyond official working hours to complete their work.					
Employees always offer suggestions to improve how work is done.					
Employees sometimes use their personal resources for the benefit of the organization.					
Employees always strive to make the organization's clients, guests and colleagues happy and hence portray good corporate image for the organization.					

THANK YOU FOR YOUR TIME