ROLE OF BUSINESS ETHICS IN COMPETITIVE ADVANTAGE OF SAFARICOM LIMITED IN KENYA

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DECLARATION

This research project is my original work and has not been submitted for examination in any other university.

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

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To the Almighty for granting me good health and wisdom. May He continue look upon me with favour.

DEDICATION

The research project is devoted to my parents for encouraging me to further my education studies. To my husband for the supporting me as I pursued my studies.

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ABBREVIATIONS AND ACRONYMS

IT Institutional Theory

PLC Publicly Listed Companies

RDT Resource Dependency Theory

ST Stakeholder Theory

UK United Kingdom

CMA Capital Markets Authority

CA Communication Authority of Kenya

CCK Communications Commission of Kenya

SDG Sustainable Development Goal

CSI Corporate Social Impact

ABSTRACT

Today's organizations are competing on the forefront of intense completion at a global level and global expansion has necessitated the need for ethical considerations given the interaction of diverse cultures and socio-economic systems. Organizations are striving to attain sustainable competitive advantage by establishing long-term stakeholder value and being reasonable corporate citizens. By incorporating business ethics practices into the organizational strategy in the form of professional codes or applied ethics organizations are deriving several benefits such as security of investors as well as attracting talented employees to work for the organizations. Safaricom limited is one of the organizations that is considering embracing business ethics due to the intense competition in the telecommunication industry. It is against this background that the research study was conducted to establish the role of business ethics on competitive advantage of Safaricom limited. The study specifically focused on the business ethics practices such as personal code of conduct, government legislation, ethical code of the company, social norms and ethical climate of the industry to attain competitive advantage. The study employed a case study design and interview guides used to collect data from key decision makers at Safaricom limited. The study also used secondary sources of data through the Safaricom website and the Communication Authority of Kenya website. Content analysis was used to analyse data collected from the interview because the research was qualitative in nature. From analysis on the findings, it was concluded that Safaricom limited in incorporating business ethics in its business as a competitive strategy through indicators of competitive advantage such as economies of scale, customer satisfaction and cost of doing business. The research also revealed that the role of business ethics on competitive advantage is influenced by external and internal environment of the organization and at the same time the organization's culture and people are key to drive the sustainability agenda. The study recommends that Safaricom limited continue to inform its business strategy by incorporating business ethics to drive its sustainability agenda and realizing its purpose of transforming lives of its stakeholders. Moreover, it is recommended that other organizations emulate business ethics in the organization's strategy to reap the benefit of competitive advantage.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Today organisations have realized the significance of building sustainable organisations by establishing long-term stakeholder value and being a reasonable corporate citizen (Mohr, Webb & Harris, 2011). This can be achieved by incorporating economic, social and environmental codes of conduct into business strategy. Global expansion has contributed to greater involvement with different cultures and socio-economic systems. This kind of developments has necessitated the need for ethical considerations. Organizations are also at the forefront of intense competition at a global level, and have realized the need to compete on the global front (Porter, 1988). The nature of industries and companies competing on the global platform, are as a result of changes in technology, customer needs, government regulation as well as infrastructure. While organizations strive to attain sustainable competitive advantage by investing in research and technology, businesses leaders overlook that the key ingredient to achieve and maintain competitive advantage are people (Pfeffer, 1994). Thus, the significance of building a strong ethical culture is to assist organisations to build a brand that can attract talents and develop trust among the stakeholders.

The theories that guide this study include Stakeholder theory (ST), Resource Dependency Theory (RDT) and Institutional Theory (IT). Stakeholders' theory puts more emphasis on the importance of addressing the needs of all the stakeholders in the organization. RDT, Pfeffer and Salancik (2003) posit that the firm depends on the external environment for resources in order to survive and hence it must ventilate into exchange transactions and relationships with elements in the environment to ensure a steady flow of resources. IT; the premise underlying this theory is that it helps in establishing associations between the environment and the firm whereby norms and values acts as sources of organisational pressures. This theory focuses on legitimacy rather than efficiency or effectiveness (Grant, 2000).

Due to competition in the telecommunication industry in Kenya, telecommunication firms are considering to adopt strong codes of ethics so as to guide employees behaviour, the manner in which the conduct business, and how they relate with each other among other stakeholders in the business environment for example, the society, regulatory bodies and the government (Osodo, Korir & Bonuke, 2014). Today, telecommunication firms are considering adopting business ethics as a strategy to remain competitive in the market following a huge emphasis by Communication Authority of Kenya (CA) on the need to uphold business ethics in their business dealings.

1.1.1 Business Ethics

Mirror (2011) defines business ethics is also referred to as corporate ethics, business ethics entails a form of professional codes or applied ethics that examines ethical issues together with ethical problems that might be faced in an organisation. It also includes organisational standards, norms, principles and values that govern employee behaviours in the workplace. Business ethics relates to internal values that form part of an organisation's culture environment. It affects employee behaviour, a group or entire organisation either positively or negatively. Paine (2013) indicates that ethics emanates from individuals, firm's statements, or established legal systems used to guide the organisation in maintaining good relations with the stakeholders. Business ethics is presented in terms of decisions and dilemmas that face organisational members. This means that business ethics must take into account the moral critique of organization since management practices are opposed to addressing individual behaviours. While individuals make more choices independently or collectively, identification of existing choices and decisions requires a thorough analysis of the morality of the existing as well as a potential system together with its constituent roles (Mohr, Webb & Harris, 2011).

By practicing business ethics, organisations derive several benefits such as security for the investors since they are assured that their investment will be utilized in an ethical manner. Employees get attracted and motivated to work in an organisation that has strong ethical values and principles (Valentine, 2017). Additionally, customers have confidence and trust in organisations that adhere to ethical principles and practices. Observing ethics in business is key to both employees and the organisation, employees from organisations that embrace business ethics can easily distinguish right or wrong when executing their duties at the work place. This attracts ethical employees from other organisations to work in such organisations because of the belief that ethical employees are the ones that instill ethical behaviours in the organisation. Today, many organisations are concerned about goals, principles and ethical values in employee development and performance. However, employees are regarded as the most useful resource for the organisation since they represent cognitive capital; knowledge, skills and abilities as well as behaviours that require a strong ethical background in order to effectively deal with ethical issues in the organisation (Weihrich & Koontz, 2012).

1.1.2 Competitive Advantage

According to Buttle (2010), it is possible to examine competitiveness from a variety of dimensions that comprise of firm level, industry, and nation. Barney et al. (2001) explain that competitiveness is the ability of a company to design products or services that are superior to that of competitors. Some of the main elements of competitiveness include speed, capability, agility, adaptability, and flexibility. Competitiveness can also be looked at from a competency perspective whereby more focus is directed to the impact of internal factors to organisational structures, capabilities, strategies, and innovation.

In the modern business environment, organizations are continually engaging in research and development in order to innovate. This is intended to achieve strategic moves that ensure sustainability of competitive advantage by enhancing efficiency, value, and customer satisfaction. Green and Burke (2012) indicate that due to cut-throat competition, organizations are willing to exceed customer expectations by adding more value to the products and services they offer. Competitive advantage is mostly dependent on a company’s capacity or the industry’s capacity to invest in modern technologies and innovation. Green et al. (2012), contend that investing in cost optimization and technology are critical components towards realizing competitive advantage. In the current study, competitive advantage will be assessed based on the level of customer satisfaction, value addition, and cost minimization.

1.1.3 Telecommunications Industry in Kenya

The telecommunications industry in Kenya was established between 1994 and 2004. Upon its establishment, it has recorded remarkable growth in terms of increase in the number of mobile subscribers. Towards the end of 2006, 6 million out of the then 37 million Kenyans had a cell phone. As a result, the use of fixed-line telephony also referred to as landlines were adversely affected. By 2012, the mobile penetration rate in Kenya was 75.4 per cent, which was 9 percent higher than the African average. Kenyan Communication Authority has recorded an increase in internet subscriptions with a margin of 25 per cent in which Safaricom commands a market share of 70 per cent. Communication Authority Annual report (2016) reported that Kenya today has 37.8 million active mobile phone users with 21.6 million internet users.

The markets players in the Telecommunication industry comprise of Safaricom, Telkom Kenya and Airtel Kenya that have made significant changes in the industry. Some of the notable products offered by Airtel Kenya comprise of fixed data, voice, mobile data, roaming and devices among others. Safaricom, on the other hand, provides a wide range of products that comprise telephony, financial services as well as broadband internet. Orange provides mobile services, landline services, mail hosting together with landline services as well as money transfer (Omae, Kibet & Ndung'u, 2015).

1.1.4 Safaricom Limited

Safaricom Public Limited Company serves as the leader in the Kenyan telecommunication market. The company was established in 1997 as a subsidiary of Telecom Kenya before Vodafone Group Publicly Listed Companies (PLC) from the UK acquired 40% of the company in the year 2000. Since 31st January 2018, the company is referred to as Safaricom PLC as opposed to Safaricom Limited. In Kenya, Safaricom provides integrated telecommunications services. This involves short messages (SMS), M-PESA, mobile and fixed voice together with data as well as internet. Additionally, the company sells mobile broadband modems, tablets, mobile phones and routers. Moreover, it offers postpaid and prepaid voice plans together with SMS services for both national and international roaming. Other services offered by the company comprise of an emergency top-up credit facility referred to as Okoa Jahazi, Bonga Points, Call and SMS, FLEX plans for browsing, entertainment, smart tools, promotion, and information services. Furthermore, the firm offers M-PESA services, a mobile phone service that allows clients to deposit, transfer, and also withdraws money (Omae et al., 2015).

Safaricom has a code of ethics that acts as a guide on how employees and the entire company should conduct business. The company restrains itself to ethical values and principles as part of its corporate duty to integrate business ethics in its strategic plans due to increasing demands from government bodies, customers and the society to uphold acceptable standards of business practices and to conserve the environment in order to develop a positive corporate reputation and remain competitive in the market (Atudo, 2014).

Survival, evolving stakeholder needs, regulations and society expectations has forced Safaricom Limited to uphold ethical principles and values in business dealings to remain competitive in the market. Ogbo et al. (2015) argue that firms that observe strong ethical policies achieve long-term competitive advantage. Today, firms are committed to being sustainable in building long-term stakeholder value as responsible corporate citizen. This can be achieved by integrating economic, social and environmental codes of conduct into business strategy.

1.2 Research Problem

While organisations are basically business organisations that seek to benefit the stakeholders, they have a wide-ranging set of responsibilities to their own suppliers, customers and employees, to the communities in which they are located, and society at large (Mohr et al., 2011). Most organisations appreciate these responsibilities and make significant efforts to achieve them while trying to use business ethics as a key ingredient for competitive advantage. Some firms that have adopted business ethics as a strategy have succeeded while others have failed. Business ethics as a strategy, would be a key determinant in matching the diverse levels of decision making and organizational capabilities in driving sustainability of the organization (Bennet 2011).

As a result of stiff competition facing telecommunication industry in Kenya, telecommunication firms are striving to ensure sustainability by developing strong ethical and long-term stakeholder value. The firms have made attempts to engrain ethical values and principles into the fabric of the firm's culture, such that it becomes part of the usual course of business (Simiyu, 2015). Being one of the leading telecommunication firms in Kenya, Safaricom Limited has a code of ethics that guides the conduct and behaviour of employees and how the firm conducts its business. Waruru (2015) argues that Safaricom Limited practices corporate social responsibility and complies with government regulation as part of business ethics.

Siltaoja (2016) studied the link between business ethics and competitive advantage of service firms in Europe and the findings showed a significant link between business ethics and competitive advantage based on the notion of value priorities. Klein and Dawar (2014) investigated the relationship between business ethics and competitive advantage of Australian banks and the findings showed that business ethics contributed positively to the bank's competitive advantage. Fombrun, Gardberg and Sever (2000) found that business ethics contributed to improved bank's competitiveness in Europe. Mbugua (2012) revealed that business ethics was positively related to the competitive advantage of food and beverage companies in Kenya. Waruru (2015) found that corporate social responsibility contributed to strategic orientation at Safaricom Limited. Kudoyi (2014) found that corporate strategy was used as a tool for employees' attraction and retention of commercial banks in Kenya and the findings showed that most employees were comfortable being associated with socially responsible institutions.

The business environment of the telecommunication industry is competitive and threatened by changes in technology, changing customer needs, government regulation, globalization that affect competitive advantage. Competition being the key differentiator, and business ethics being competitive advantage, building and maintain relationships with stakeholders determines sustainability of the organization and meeting the obligation of being a global corporate citizen. In addition, overlooking the role of business ethic, would be disregarding standard principles in ways or working. A sizeable number of studies have been done in relation to business ethics and competitive advantage. However, it is critical for further empirical investigation to be conducted with the goal of filling this gap and clarify findings in this field. This study thus seeks to find an answer to the following research question: What is the role of business ethics on competitive advantage of Safaricom Limited in Kenya?

1.3 Objective of the Study

The objective of this study was to determine the role of business ethics in competitive advantage of Safaricom Limited in Kenya.

1.4 Value of the Study

The management of telecommunication firms will find this study to be of great value. It will inform them on some of the most effective business ethics practices to adopt in order to remain competitive. Thus, Safaricom will find it necessary to integrate business ethics in its strategies and policies.

The findings for this study will be beneficial to policy makers; Communication Authority of Kenya, in setting policies that enable the management of telecommunication firms to effectively implement business ethics in order to enhance their competitiveness. This will enable telecommunications firms to effectively respond to environmental changes and uphold ethical practices in business.

Scholars will find this study useful especially the theories supporting this study; they will widen their understanding on their application and relevance in this study. Researchers, who are curious about this field of study, can utilize the study findings as a basis for future research on the challenges that telecommunication firms when implementing business ethics.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter will look at the literature review. It gives a discussion of the theories, factors that influence business ethics, and the role of business ethics in competitive advantage. This has been discussed through empirical studies conducted globally and in the region. The chapter also covers research gap(s) and a summary.

2.2 Theoretical Foundation

This section provides a detailed coverage of theories guiding this study. These theories are Stakeholder theory, Resource Dependency Theory and Institutional Theory. A proposition of the theories has been given, theoretical developments, assumptions, critics and relevance to this study. Below is the discussion:

2.2.1 Stakeholder Theory

This theory was postulated by Freeman (1984); he did put a lot of emphasis on the need for a firm to represent the needs of its stakeholders in order to realize corporate goals. Friedman and Miles (2002) noted that one of the ways of realizing corporate goals and profitability by addressing stakeholder needs. These stakeholders include customers, the community, suppliers, employees and the organization. The firms that record high profits can easily cater for the needs of different stakeholders. It is important to note that stakeholders' needs are unique and the firm should needs to adopt several approaches to ensure that all these needs are met. Duckworth and Moore (2010) explain that for a firm to realize profits sustainably, the firm must accommodate the needs of all the stakeholders. This is critical in enabling the firm to build its corporate reputation and enhancing the stakeholders' confidence on their products and services. By addressing stakeholder needs the firm remains competitive in the market and address customer needs sustainably.

These stakeholders include the customers, the employees, the community and the organization. It is worthwhile to note that the needs of these stakeholders are different, and all of them must be satisfied for an organization to realize its corporate goals. Duckworth and Moore (2010) explain that competitive firms aim at addressing the needs of all their stakeholders so as to build a strong corporate reputation. The firm seeks to ensure that it is in harmony with the community, the customers, the employees who make significant contribution towards the success of the firm. Neaves (2010) opine that by addressing the needs of the customers, an organization is able to establish better relationships with other stakeholders. Firms use business ethics as a tool to attract the needs of the stakeholders. Business ethics is considered as a way of embracing moral values and doing business responsibly. Firms should do embrace business ethics so as to attract competent personnel, and develop a positive corporate reputation with other stakeholders such as the community, the government and the suppliers. Thus, the firm will be able to maintain and sustain competitive advantage (Blattberg, 2004).

2.2.2 Resource Dependency Theory

Resource Dependence Theory (RDT) is concerned with how organizational behaviour is affected by external resources the organization utilizes such as information communication technology. The theory is importance because the firm's ability to gather, alter and exploit resources faster than its competitors. RDT is premised on the idea that resources are critical in achieving organizational success and that access and control over resources is basis of power (Lamb & Boyden, 2011).

The basic argument of resource dependence theory is that firms depend on resources; these resources originate from the environment which consists of other organizations. The resources that a firm requires are thus often in the hand of other firms. Resources are a basis of power and legally independent firms can therefore depend on each other. The environment is perceived as the source of scarce resources that are essential for the survival of the firm. Lack of control of these critical resources is the major cause of environmental uncertainty.

Environment that comprises of a high level of resources are perceived to be less hostile to the stability of the firm while those with low level of resources act to enhance intensity of competition among firms. Resource dependence theorists maintain that in order to minimize the impact of environmental uncertainty it is worthwhile for the firms to develop and sustain effective relationships with the external environment (Pfeffer & Salancik, 2003). Thus, customer is the ultimate resource on which companies depend. Although this seems obvious in terms of revenue, it is actually organizational incentives that make management see customers as a resource. Presently, resource dependency theory has been scrutinized in several review and meta-analytic studies. Drees and Heugens (2013); Sharif and Yeoh (2014) who supported the importance of the firm taking actions such as forming strategic alliances, strategic mergers and acquisitions to counter dependencies and improve organizational autonomy and legitimacy.

2.2.3 Institutional Theory

This theory holds that institutionalized symbols define a cultural validation; they include values, meanings and rules among others (DiMaggio & Powell, 1983). Cognitive firms derive their authority from a shared conception of social reality for fear of sanctions. Scott (1995) posits that normative roles are rules of facts about a society, assumptions and natural ways of doing business or activities. Institutional development is envisaged when rules and beliefs are accepted but remain unseen to the actors and firms that they influence. Meyer and Scott (2011) emphasize that firms must comply with pressures from the environment to survive. Pressures in this case involve the environmental challenges that inhibit the survival of firms. In line with this study, it is appropriate for firms to response to environmental challenges to gain a competitive advantage against competitors and prosper. Scott (1995) insists that when the organization has not otherwise other than to conform to institutional pressures, it is forced to adopt and implement institutional norms and values when carrying out business (DiMaggio & Powell, 1983). This legitimizes the actions of the firm and integrates these practices into the firm's strategic goals and objectives.

The arguments are consistent to Goodstein (1995) who insists on the importance of the firm to abide with the societal norms and beliefs that are incorporated into the firm's strategic goals. This makes it easier for the firm to execute its business in accordance with the set rules and regulations and thus save a lot of costs associated with violating institutional norms. Through adopting strategic responses for example product innovation, the firm can save costs through improved efficiency and effectiveness by providing superior products and services that seek to meet customer needs.

2.3 Business Ethics Practices

In the modern business world, business leaders have knowledge regarding ethical issues and thus they focus on improving organizations ethical standards. With self-regulation, businesses tend to achieve impressive results. Furthermore, there are various practices that influence leaders in the business world to take ethical decisions. Hoffman (2011) argues that corporate governance, code of conduct, corporate social responsibility and objectivity and transparency are essential ethical requirements and their violation might have adverse effect on the overall organization especially on the aspect of sustainability. However, the main business ethical practices have been discussed as follows:-

2.3.1 Personal Code of Ethics

The personal code of ethics of an individual relates to what that specific person deems moral in the foremost responsible factor that influences his/her behavior (George, 2014). This represents an ideal that the individual strives to achieve because one presumes that achieving an ethical behavior is not only desired, but equally honored. According to Hoffman (2011), personal ethics must be accompanied by accountability. This serves in as a measure of whether an individual adheres to what they attribute to as personal code of ethics. For example, due to exposure to different cultural environment or interaction people may hold different personal code of ethics. This is based on the fact that for a person who comes from an educated background, accountability of personal ethics may be based on the education background teachings, whereas on the other hand, the non-educated person may base ethical behavior on personal convictions or traditional cultural background. The understanding of business ethics for the two individuals would be different in a business context application when faced with an ethical dilemma (Siltaoja, 2016).

2.3.2 Government Regulation

According to George, (2014), the government will always intervene and establish laws to govern the behaviors of businesses. This especially happens where an organization becomes too selfish and unethical and ignores the societal responsibility. Sharif and Yeoh (2014) indicate that societies not only dislike selfish behaviors by a business, but it is impossible to tolerate such misbehavior continuously. As a result, the government is pressurized to act against the misbehaving business and the reaction is through enacting laws that prohibit such unhealthy behavior by an organization. Mirror (2011) explains that laws serve in supporting government regulations in various business aspects like product safety, working conditions, and statutory warning among others. These provide guidelines to the business management in determining what are recognized or acceptable practices and standards. It is important noting that the government enjoys significant authority and power when it comes to establishing business ethics since it is capable of defining an industry, rules, and at the same time exercise legislative power.

Klein and Dawar (2014) opine that although organizations may enjoy economic advantages as they possess the necessary resources to finance an investment, they cannot escape from the established laws as this may attract fines from the government or even lead to complete closure (Hoffman, 2011). However, while enacting laws, the government takes into account both the societal interests and those of the business. This signifies that the government adopts a balancing act as it has a relation with both the business and the society.

2.3.3 Ethical Code of the Company

As an organization grows larger, it is accompanied by a growth of its ethical conduct. In the case of any unethical conduct or behavior on the part of an organization, it endangers the established goodwill, public image, and reputation (Branco & Rodrigues, 2012). As such, most businesses are very cautious when it comes to matters of ethics. This is observed by establishing specific guidelines to members of the organization regarding the expected behavior while working or representing the organization.

Towards ensuring that members within the organization adhere to the set ethical code, the administration is tasked with the role of not only implementing the code, but also invoking sanctions against code violations. Generally, subordinates are required to report code infractions up the management chain, where it involves the possible action to take if the level where the report is made fails to take action (Branco & Rodrigues, 2012). In large firms, a function or specific office may be expressly tasked with the role of dealing with code violations. In such organizations, sanctions are expressly spelled out and there is a clear definition of the administration with a clear process on the manner to establish facts, issuance of warning, possible counseling, and consequences for repeat offences. The reason for establishing sanctions is to ensure that the code of ethics is fully implemented without employees perceiving it as a mere gesture.

2.3.4 Social Norms

Social pressures and forces have significant influence on ethics in an organization. This impact is evidenced in the decision-making process of an organization like in production or hiring procedures. It is for this reason that modern firms tend to give strong considerations to the social expectations in the environment where they operate as evidenced by the increasing trend of environmental responsibility (Bernardi & Guptill, 2011). As such, companies not only stick to the established law, but extend beyond the existing laws to ensure that they are in harmony with the environment where they operate and the community they serve. This has led some companies to include social responsibilities in their mission as a way of being unique and distinguish themselves from competitors. If a firm provides consumers with sub-standard products or engages in any other unethical behavior that is known to the public, the consumers tend to become indifferent towards such firm (George, 2014). These refusals eventually exert pressure on the business to act in an honest manner and strictly observe the established business ethics. In some instances, the society may turn against the organization, culminating to complete closure.

2.3.5 Ethical Climate of the Industry

The modern business industry is coupled by a more competitive atmosphere. As such, only the organizations that strictly observe ethical code can retain their positions in the industry and remain unaffected in their respective business lines. According to Hoffman (2011), if a firm operates in an industry where other players strictly adhere to code of ethics, the firm must equally perform to the established level of the competitors or even better. If the firm's performance in respect to business ethics is below that of its competitors, such a firm will unlikely succeed in the long-run. In every industry, there is an established moral atmosphere of the industry environment together with the level of ethics that players within the industry observe (Bernardi & Guptill, 2011). Existing companies or any new entrant are thus tasked with an obligation of adhering to the moral atmosphere or risk being perceived as indifferent by customers.

2.4 Indicators of Competitive Advantage

There are several indicators of competitive advantage. However, this study looks at the following indicators namely cost, quality and customer satisfaction. Green and Burke (2011) indicate that large firms are able to maintain competitive advantage as compared to smaller firms since they enjoy economies of scale from reduced production costs. Such firms are able to offer quality products and services at competitive prices. In a competitive market, firms offer quality products and services at competitive prices to attract new customers and retain existing ones. Barney *et al*. (2001) competitive advantage of the firm is determined by its ability to produce products and services of superior quality than competitors. The components of competitive advantage include flexibility, speed, adaptability, agility and capability.

Competitiveness can also be viewed from a competency approach in which much emphasis is given to internal factors such as competencies and strategy which are key ingredients of innovation that enable firms to produce quality products and services. Cantele and Zardini (2018) argue that competitive advantage can be evaluated using the performance of human resource, technology and operations management. Through this, the firm can easily determine the quality of products and services offered by the firm (Buttle, 2010).

Jones, Harrison and Felps (2018) indicate that customer satisfaction is a key indicator of competitive advantage, to remain competitive in the market; the firm has to invest heavily in research and development to acquire knowledge for instance, understanding evolving customer needs in order to find efficient ways of addressing such needs. This leads to customer satisfaction and reduced customer complaints.

2.5 The Relationship between Business Ethics and Competitive Advantage

Rania (2016) investigated the link between business ethics and competitive advantage of firms in Egypt, the study used a survey design in a population of 20 firms in the service industry. A sample of 20 firms was conducted and both primary and secondary sources of data were used. Analysis was done using a regression model to establish the link between business ethics and competitive advantage and the findings showed that there was a significant relationship between business ethics and competitive advantage of firms. The findings further revealed that firms that embraced an ethical culture successfully implemented business ethics. These firms were able to build strong ethical foundations that contributed positively in building the firms' corporate reputation.

A strong ethical culture builds the firm's reputation, growth and finances; it helps to build a brand that attracts talents and develops trust among stakeholders. The findings highlighted that ethical failure might diminish the reputation of the firm and its products, locally and internationally. Jayaseelan and Latha (2015) studied the role of business ethics and social responsibility in realizing competitive advantage and maintaining business sustainably in United Arab Emirates. A descriptive survey was employed in a population of 65 industrial companies whereby a director was picked from each firm.

The results showed a significant relationship between business ethics (independence, objectivity and integrity) and competitive advantage. The results further showed a significant link between social responsibility (consumer and customer concerns, environmental conservation) and competitive advantage (value addition, efficiency and innovation).

Emad, Yoshifumi, Abdulla and Basman (2014) assessed the impact of business ethics on competitive advantage of Cellular communications companies operating in Jordan; to accomplish this objective, the researcher adopted a descriptive survey involving a sample of 192 respondents (employees at managerial levels: supreme, middle and supervision). Primary data was collected with the help of structured questionnaires and analysis was done using descriptive statistics and regression analysis. The findings showed the existence of a statistically significant relationship between business ethics and competitive advantage of firms. Business ethics practices (independence, objectivity, honesty, integrity, fairness and transparency) were significantly related to competitive advantage of Cellular communication firms in Jordan. Kain and Sharma (2014) explored the effectiveness of business ethics as a competitive tool for firms in the global world. The research applied a survey in a population of 50 firms. Panel data was used, and analysis was done using descriptive statistics and regression analysis. The findings revealed that ethical behaviours were influenced not only by individuals but also factors in the external, organizational and cultural environments. Codes of ethics, policies, practices, rewards and punishment systems, role models constituted organizational influences. External factors included political, economics, legal as well as global effects. All these sets of factors determined the ethical behavior and groups in the organization. Labour cost and HR effectiveness is a key influence towards the success of an organization. Ogbo, Okechukwu and Ukpere (2013) assessed the effectiveness of business ethics as a tool for competitive advantage of banks in Nigeria. The study utilized a descriptive survey in a population of 20 banks. Primary data was collected using questionnaires and the findings showed that unethical business practices negatively impacted on competitive advantage. For instance, illegal provision of loans resulted into removal of management executives.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology that was utilized to accomplish the research objective. Research methodology is an approach that is used to identify design, enable the researcher to collect and analyse data with the goal of addressing the research question. The sections discussed in this chapter include research design, data collection and data analysis.

3.2 Research Design

The research design adopted in this study was a case study. The choice of this form of research design is because it allowed the researcher to do an in-depth investigation of the object under study. This is supported by Yin (2009) who asserts that a case study focuses more on a single organization or entity. This design will enable the researcher to get data on real issues concerning the parameters under investigation.

Case studies provide detailed information using considerable approaches such as interviews, visual observation, audio and video recordings. This helps to authenticate the research and to provide additional validation to the assumptions and assertions made by the interviewees or the researcher. The researcher gets first-hand information which is more unique and challenges theoretical assumptions about a study.

3.3 Data Collection

An interview guide was used to collect data. The decision to use an interview because the target population is small and thus the researcher will be able to get first-hand information that is reliable, relevant and accurate. Both primary and secondary sources of data were used. Primary data will be obtained by interviewing five (5) Heads of departments. These include the Head of Strategy and Innovation, Head of Finance, Head of Customer Management, Head of Operations Management and The Head of Marketing.

Secondary data was obtained from company repository, weekly bulletin, annual reports and company handbook.

The choice of this category of interviewees is because they are involved in key decisions involving the role of business ethics on competitive advantage. The interview will be conducted by first explaining to the interviewees why the study is being conducted to enable to understand the important of this study. Then in duration of 30-90 minutes the researcher will interview one interviewee by asking questions. For each question, the interviewee will be given 5-10 minutes to give their views before moving to the next question. The interview guide will be guided by the broad objective of the study which is to determine the role of business ethics on competitive advantage of Safaricom Limited in Kenya. A face-to-face interview will be conducted with five departmental heads. Communication and arrangements with the departmental heads will be made in advance to allow sufficient time for the actual interview session. This will enable interviewees to prepare adequately and respond to all questions asked by the interviewer. Published sources of data were utilized for reference purposes. This information was derived from internal company publications such as annual reports, quarterly bulletin and research publications from the company repository.

3.4 Data Analysis

Content analysis informed the data analysis process because the nature of this research was qualitative. With content analysis, the researcher will be able to utilize textual data that will be presented inform of an essay, a blend of responses from primary and published sources will be discussed in line with the research objective. Content analysis is defined as a systematic description of the composition of objects or materials under the study. Willig (2008) defines content analysis as a method that summarizes any form of content by counting several aspects of the content. Thus, an objective assessment will be achieved as compared to mere content from the impressions of a listener. Content analysis will give a close association of socio-and psycholinguistics in enabling the researcher to develop artificial intelligence. This approach of analysis is important in establishing the intentions, the area of focus or communication patterns and behaviours of people, groups or institutions. It is also used in replicating and validating inferences by interpreting textual materials. It helps to systematically evaluate texts such as documents, verbal communication and graphics hence it can be able to convert qualitative data into quantitative form.

CHAPTER FOUR

DATA ANALYSIS, RESULTS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and findings of the research as outlined in the research methodology. The study sought to achieve the following objectives; role of business ethics in competitive advantage of Safaricom Limited in Kenya and becoming a sustainable telecommunication business.

4.2. Respondents Profile

The study targeted five (5) heads of department of Safaricom Limited who are key decision makers. Out of the five (5) targeted respondents, 3 managers participated in the study drawn from the various departments resulting in a sixty percent (60%) response rate. This was deemed sufficient for the study. The respondents were line managers within the departments All had an average of seven (7) years working for Safaricom Limited and an average of five (5) years working in their current role. The respondents are well experienced and knowledgeable about the organization.

4.3 Business Ethics

Business ethics practices refers to application of internal values that relates to the organizations' statement and legal systems that guide the organization in maintaining good relations with its various stakeholders. Safaricom Limited operates in the Kenya telecommunication industry and continues to engage all its stakeholders to deliver value and maintain its position as a market leader. This section of the study sough to establish the role of business ethics in the competitive advantage of Safaricom Limited.

4.3.1 Business Ethics Practices

From the interviews conducted, it was noted that the business ethics practices adopted by Safaricom Limited include adoption of a corporate governance statement, compliance to

Capital Markets Authority code of corporate governance practices for issuers of securities 2015, the Nairobi Securities Exchange, ethical code of conduct of the company as well as the tenents of the constitution of Kenya.

Most of the respondents also stated that some of the best practices observed by Safaricom limited included provision of timely and relevant disclosure to the public and financial reporting to its shareholders by providing a clear understanding of the organizations operations and performance. Additionally, focus on compliance to relevant laws and upholding of the high levels of integrity in the organization's culture and practices was considered as best practices in business ethics. The respondents also confirmed that as part of the organization's risk management strategy an ethics committee in place. The ethics committee leads ethics and compliance initiatives as well as offers an oversight to the organization's strategy and guidance on ethical matters in business. From the respondents interviewed, there was acknowledgment that none of the business ethics practices was deemed as least effective as the business ethics practices and necessary in providing checks and balances in delivering value to the organization's shareholders and stakeholders.

4.3.2 Personal Code of Ethics

The respondents confirmed that Safaricom Limited has a personal code of ethics through which employees and directors are expected to act with honesty, integrity and fairness in all dealings with one another. The personal code of ethics is recognized and celebrated by teams and individuals who embody the Safaricom way through values of speed, simplicity and trust. Through the Safaricom way hero stories, teams and individuals are recognized and celebrated for exhibiting the Safaricom way as they carry out their work. The respondents confirmed that for the year 2017/2018 the employees who embodied and lived the values were rewarded with an opportunity to visit Vodafone in the United Kingdom and attending the Vodafone Customer Experience Event. The respondents noted that one of the challenges faced in the application of personal code of ethics to Safaricom Limited is embedding diversity and inclusion as a way of life to attain a gender balanced workforce of 50:50 by 2020/2021 and increasing employment of people with disabilities. When asked on how the organization ensures adherence to the personal code of conduct, most of the respondents unanimously agreed that Safaricom Limited employees are a critical component of the company's digital journey and as a result the leadership team has identified the Safaricom culture as a key enabler to aligning the culture elements to the purpose, brand promise and values. The cultural elements are humanness, growth and trust that are fostered to create an admired brand, engaged and happy employee's, innovation, personal and business growth, trust and collaboration both within and outside the business.

4.3.3 Government Legislation

The research found that Safaricom Limited is a public limited entity registered and incorporated under the Companies Act of Kenya. The established that Safaricom Limited complies with the Capital Markets Authority (CMA) code of corporate governance practices for issuers of securities to the public, 2015 and with regard to this the company undertook a review of its level of compliance as at 31 July 2017 and submitted its report to CMA for review. Some respondents detailed that the company also complies to the Income Tax Act Cap 470 of the laws of Kenya as it files it taxes every month without fail. The respondents further stated that the company also abides to the principles of the Constitution of Kenya. One respondent gave an example of how the board of directors is evaluated in line with the provisions of the code of corporate governance practices for issuers of securities to the public, 2015. The evaluation was done to enable the board and its members assess their performance and map areas of improvement on to enhance its effectiveness. The research established that the telecommunication industry in Kenya in regulated by Communication Authority of Kenya (CA) that issues licenses, monitors competition, protects consumers and develops pricing guidelines. Safaricom Limited is expected to fill out compliance returns annually that substantiates adherence to the sector policy requirements of ownership, tax compliance and evaluation of market growth and development. When asked whether there are sanctions that impact the industry due to non-compliance, the response was that there are penalties and fines imposed on telecommunication companies that flout the CCK ethical guidelines and licensing requirements.

4.3.4 Ethical Code of the Company

The respondents interviewed stated that Safaricom Limited has an ethical code of conduct of the company that is applicable to all its directors and employees. Every employee is given a copy of the code of conduct to which they sign as an acknowledgement to abide in fulfillment of the requirements of the employment contract with the company. The employees also undergo training on business ethics annually. In addition, the respondents further explained that Safaricom Limited also has a whistle blowing policy that provides a platform to employee's supplier, dealers and agents a channel to raise concerns on any wrong doing, as well as guidelines on how the concerns are addressed. The research found that Safaricom Limited has a disciplinary policy that is in place in the organization that is enforced by the human resource department on employees found to engage in unethical practices such as fraud. On enquiring whether, there is a department tasked with implementation the response was that the human resources department and the governance and compliance department work hand in hand monitoring and implementing the organization's code of conduct. The governance and compliance department investigate and collects evidence on breach and instigates appropriate sanctions for breach of ethical code of conduct. The human resources department then institutes necessary disciplinary action and even termination of employees based on the merit of different breaches of ethical code of conduct.

4.3.5 Social Norms

Safaricom Limited strategy is built on the premise of three pillar being people, purpose and profit. The respondents highlighted that in 2016 the business aligned its strategy to the Sustainable Development Goal (SDG's).The business has adopted and is pursuing attainment of nine (9) of the seventeen (17) SDG's that include: good health and well-being; quality education; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; responsible consumption and production, peace, justice and strong institutions; partnership for the goals. Safaricom limited has purposed to commit, marshal global efforts and focus on the opportunities presented by the goals to make strides to socio-economic growth. The SDG's are providing a blue print for investment to transform lives of its customers and providing optimal opportunities for sustained growth. Based on the respondents' assessment, Safaricom realizes the importance of its stakeholders and their importance to the continued success of the business. As a result, Safaricom Limited has a corporate social impact (CSI) policy that aims at ensuring that the business operates in an accountable for the benefit of its customer, employee's supplier and the society at large.

4.3.6 Ethical Climate of the Industry

According to the interviewed respondents, Safaricom limited operates in an environment that is highly regulated by the CA. The organization is closely following with keen interest on changes being proposed in a study commissioned by Communication Commission of Kenya (CCK) which attempts to alter the rules of the industry by introducing pricing controls and regulating infrastructure sharing. It was established that one of the recommendation of interoperability had already been implemented by the three major telecommunication players in the industry; Safaricom, Airtel & Telkom. The respondents were concerned that one of the measures of price could pose a threat to Safaricom in light of its current market position that has been honorably earned through investment in infrastructure, innovation and marketing. The study found that the position of the company on the CCK recommendation is that the telecommunication market and industry should be granted the freedom to self-regulate and telecommunication operators be allowed to negotiate and enter into infrastructure sharing agreements on their own accord.

4.4 Indicators of Competitive Advantage

The respondents noted that Safaricom limited operates in a dynamic market and as a result they are aware of the need to keep up with the changing customer needs as well as the threat of new entrants trying to upset the status quo. As a result, the organization is transforming its way of way to that of an agile organization that will be fit for future purpose with the goal of creating a conducive environment where decisions can be made quickly, and mistakes taken as a learning curve. Most of the respondents acknowledged that the business continues to put the customer first by devoting resources to understanding customer needs and tools, products and services that grant customer control to how they utilize voice, data and other resources on the Safaricom network. Some of the examples given are product such as FLEX, My Data Manager, My Safaricom application and Jitambulishe that leverages biometrics to boost security. In addition, the business is customizing products and services to specific customer needs through utilizing analytical marketing and mining Big Data to continually respond to changing consumer behaviours by investing wisely through channeled insights rather than investing on generalized assumptions of the general market.

One of the respondents stated that unlike its competitors Safaricom Limited the business is changing the mid-set of one size fits all to that of delivering the promise of giving its customer the best experience. Some of the respondents explained that the adoption of business ethics has minimized customer complaints through the organization's strategic pillar of operational excellence. From this pillar, Safaricom continues to invest in its network by modernizing infrastructure to maintain lead and position as a market leader. Some of the examples provided was the upgrade of the network from 4G to 4G+ for consumers to be able to browse faster as well enjoy improved voice service. Most of the respondents strongly agreed that Safaricom's enterprise programs such as M-pesa for business, M-tiba an E-health wallet, Shupavu 291 and Masoko have enable the business to compete in high priced markets by positioning and providing products and services that meet and offer end to end solutions for its consumers. It is evident that from the responses received from the interview the interviewee's recognized that business ethics has made a significant contribution in defining to the companies purpose through with Safaricom Limited has used the premise to build the organization's strategy for now and the near future as well creating the organization cultural fabric for its people and profit for its various stakeholders.

On analyzing the Safaricom annual report and financial statements of 2018 five-year historical performance from 2014 to 2018, it is evident that the business profitability has grown annually at a rate of between 14% to 28% on average. The growth can be attributed to incorporation of business ethics practices by creating value for its customers shareholders employees and the community. The role of business ethics cannot be ignored as Safaricom limited continues to command the market share of 65.4% in the telecommunication industry despite losing its share by 1.6% in June 2018 to Airtel & Safaricom (Business Daily, 2018).

In conclusion, from the interviews it is clear the business ethics has a role in defining the Safaricom Limited’s competitive advantage. This is evidenced by the incorporation of SDGs nine priorities in driving sustainability of the business in the present as well as the near future. On the premise of the organization strategic pillars of delivering the promise, putting customers first and driving operational excellence the business continues to drive the agenda of sustainability by incorporating business ethics practices and adoption of an ethical culture to sustain the firm’s competitive advantage in the telecommunication industry. The key decision makers interviewed at Safaricom limited believe that the business has some of the best business ethics practices through compliance to the relevant laws as well as the organization’s culture of upholding integrity at all levels of the organization. The business practices on the ethical climate of the industry is an area of concern which the organization is closely monitoring following a draft proposal from the CCK to introduce price controls and infrastructure sharing.

4.5 Discussion of Findings

The results of the study of the study indicate that business ethics has a role on the competitive advantage of Safaricom limited and translated to sustainability of the organization. The findings established that Safaricom limited is cognizant of the importance of building a sustainable organization by incorporating economic, social and environmental codes of conduct into its business strategy. It is also noted that Safaricom limited has grasped the significance of building a strong ethical culture to build a brand that attracts talent and establishes trust among its various stakeholders. This is in agreement with the Kudoyi (2014) who found that corporate strategy can be used as a tool to attract employees and that employees are comfortable being associated with socially responsible institutions.

The study established that Safaricom limited has adopted various business ethics practices such as corporate governance, compliance to government regulations, ethical code of conduct of the company as well as the compliance to the law of the land (constitution); penalties are levied on the organization due to violation or non-compliance. The study confirms that violation of ethical requirements has adverse effects on the organization especially on matters of sustainability (Hoffman, 2011).

From the respondents interviewed, there was unanimously agreement that Safaricom employees are a critical component of the organization's digital journey. As a result, the company has identified culture as a key enabler to drive the organizations' purpose, brand promise and values. The findings reveal that employees are regarded as the most useful asset as they have the cognitive capital of knowledge, skills, abilities as well as behaviours that require a strong ethical background so as to effectively deal with ethical issues in the organization (Weinrich & Koontz, 2012). Safaricom's adoption of an ethical culture has propelled success of the organization in successfully implementing business ethics which is consistent with the research by Rania (2016) who found that strong ethical foundations contributed to building a positive corporate reputation.

The results of this study corroborate research by Kain and Sharma (2014) in which they found that effectiveness of business ethics practices is significantly related to competitive advantage and it also influenced both individuals as well as the external, organizational and cultural environment in which the business operates in. Safaricom limited's business ethic's practices are informed by the internal and external environment that it operates in being aware of the personal code of conduct, government regulations, social norms, ethical conduct of the company as well as the ethical climate of the industry in operates in. The institutional theory developed by (DiMaggio & Powel, 1983) underpins that when organizations fail to conform to the environmental pressures the survival of the firm is inhibited. The solution that remains is for the firm to adopt, implement and integrate norms, values and way of doing business into the firm's strategic goal and objectives.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter covers summary of finding, conclusion, implication, limitation and recommendations postulated by the research question and objective. The chapter covers feedback from the interview as well as secondary data analyzed.

5.2 Summary

The objective of the research was to investigate the role of business ethics in the competitive advantage of Safaricom limited. Five (5) respondents were targeted to participate in the interview but one three (3) were available for the interview which represented a response rate of 60%. All respondents were senior managers drawn from marketing, customer service and finance. The respondents had extensive working experience at the organization and conversant with the business as well as department strategy. The business ethics practices adopted by Safaricom limited included corporate governance, compliance to regulator and government requirements. The best approach adopted by the firm in business ethics if provision of timely and relevant disclosures to the public and financial reporting to its shareholders thus providing a clear understanding of the organization's operations and performance. The respondents acknowledged that the business ethics practices adopted by Safaricom limited are relevant.

The business ethics practices discussed were personal code of ethics, government legislation, social norms, ethical code of the company and ethical climate of the industry. From the interview is was established that Safaricom limited has a personal code of ethics deemed as the Safaricom way that embodies the values of speed, simplicity and trust. Employees who have lived the values positively are awarded and it has been inculcated into the organization's culture and everyone is held to account. The main challenge faced in the adoption of personal code of ethics is embedding diversity and inclusion as a way of life to attain gender balanced workforce of 50:50 by 2021 and increasing employment of people with disabilities. On government legislation, Safaricom limited abides to government regulations such as the income tax act, companies' registration act as well as the constitution. On the ethical guidelines that apply to the telecommunication industry, Safaricom limited complies to the requirement of submitting annual compliance returns to the regulator CA. There are sanctions that impact the industry due to non-compliance to the ethical guidelines set by the regulator such as fines and penalties.

The researcher also found that all employees as well as directors of the company undergo training on ethics and are required to acknowledge the organization's code of conduct by signing the policy on joining the company. Annual refresher training on the code of conduct is also done. In addition, there is a whistle blowing policy that provides employees, suppliers, agents and dealers a channel to voice concerns or unethical practices. The governance and compliance as well as the human resource department are custodians of the organization's ethical code of conduct and there are sanctions that are taken against employees who fail to abide to the ethical code of conduct.

The researcher also established that Safaricom business strategy is premised in three pillars of people, purpose and profit which addresses the needs it stakeholders. The social norms and pressures from its stakeholders has made the organization incorporate the pillars in defining the role of business ethics on competitive advantage. Consequently, the researcher was able to appreciate and understand the alignment of the organization to the SDG's into its strategy.

The researcher also found that the business ethics has added value to products and services that are designed with the notion of meeting all its stakeholder needs through products such as M-tiba and e-health wallet and Shupavu 291 a digital learning program for schools. The products and services are designed to meet end to end consumer needs that makes the products competitive to its competitors. Profitability and market share have been maintained being the leaders in the industry. Investment in technology and infrastructure are attributed to operational excellence at Safaricom hence attainment of economies of scale in its product offering and minimizing consumer complaints.

5.3 Conclusion

It can be concluded that by Safaricom limited incorporating business ethics in its business as a competitive strategy through indicators of economies of scale, cost of doing business and customer satisfaction the organization is able to achieve sustainable competitive advantage. The company has been able to maintain its market leadership and provide superior products and services to its customer, enhance quality of decision making and increase customer satisfaction by meeting the changing customer needs by practicing business ethics. The company continues to command the market share in the telecommunication industry, grow profit year on year and deliver operational excellence through the various services provided to consumers.

On analyzing the data and the findings from the research, it can be concluded that there is a positive relationship between the business ethics practices adopted by Safaricom limited ad competitive advantage. The personal code of ethics, adherence to government regulations, the ethical code of the company, social norms and the ethical climate of the industry have all played a role in defining and shaping the role of business ethics of competitive advantage of Safaricom limited. The organization has also made strides of ensuring that employees and directors adhere to the set ethical code of the company, failure to which non-compliance invokes sanctions to the employees as well as the company on violation of the codes. The researcher concludes that the business ethics practices adopted by Safaricom limited in maintaining its competitive advantage would continue to evolve as the organization continues to align its business strategy with the SDG's.

5.4 Implication of the study on policy and practice

Based on the study, the researcher recommends that Safaricom limited continue informing its business strategy by incorporating business ethics to drive its sustainability agenda and realizing its purpose of transforming lives of its stakeholders. The approach of leveraging business ethics to attain competitive has been engrained in the Safaricom way of business as well the organization's culture which has proved to be a success.

With regard to policy, the government and the regulator CA should continuously assess the industry to ensure that proposals for any new laws or amendments take into consideration the operators market strategy, innovation and investment as opposed to leveling the playing field that would penalizing some operators. The regulator should also engage the operators on consultations on how the telecommunication industry can self-regulate and enter into infrastructure sharing agreements on negotiated commercial terms.

5.5 Limitations of the Study

The study conducted was a successful, but not without set-backs. Initially, it took time to get approval from Safaricom to conduct the interview. Constant follow-up and persistence was needed to get the approval.

There was also time constraint in getting time and securing appointment with the interviewees to conduct the interview. The challenge was minimized by sending the interview questions in advance for review prior to the interview appointment.

There was also some skepticism on the purpose of the study and the interviewee's felt that some of information disclosed is of confidential nature. It took a lot of bargaining and negotiation to convince the organization that the study was purely for academic research.

5.6 Recommendation for Further Research

The research recommends that further study be undertaken on business ethics practices adopted and incorporated by other firms within the telecommunication industry. This would provide a comparison on whether the role of business in the competitive advantage of Safaricom limited hold true.

The researcher proposes a similar research to be conducted in a different context such as the leading consumer good companies or the insurance companies. This would provide an optimal avenue for comparison whether business ethics in the competitive advantage of Safaricom limited has a role in competitive advantage can be applied to a different segment to attain comparable results.

The telecommunication industry in Kenya is dominated by Safaricom Limited, and in view of organizations having different business ethics practices a comparative study can

The researcher suggests that further research should be conducted on the competitive advantage of Safaricom limited with the adoption of nine SDG's as part of its corporate strategy over the next five years to allow for a conclusion to be made on the effectiveness of incorporation socio-economic or corporate ethics into Safaricom's business strategy.

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APPENDIX: I Interview Guide

Section A. Demographic Information

i. Which department do you belong to?

ii. Which position are you in?

iii. How long have you worked for this company?

iv. How long have you worked in your current position?

Section B. Business Ethics Practices in Safaricom Limited

1. What are some of the business ethics practices adopted by your firm?
2. What is the best business ethics practice adopted by your company?
3. Which is the least effective business ethics practice adopted by your company? Please explain in detail.

Part 1: Personal code of Ethics

4. Does your organization have a policy on personal code of ethics? Please explain how it is applied.
5. Kindly explain to me in detail, what values are stated in the personal code of ethics?
6. What are some of the challenges faced in the application of personal code of ethics to the firm?

7. How does the organization ensure adherence to personal code of conduct? And are individuals accountable?

Part 2: Government Legislation

8. How does your company abide to ethical guidelines established by government regulations when conducting business? Explain

9. If yes, please explain some of the ethical guidelines that apply to the telecommunication industry?

10. Kindly explain, are there sanctions that impact the industry due to non-compliance to the ethical guidelines?

Part 3: Ethical Code of the Company

11. How do employees comply to the ethical code of the company? Please give example?
12. How does your organization ensure adherence to the ethical code of the company?
13. Does Safaricom Limited have a department that implementation of the ethical code of the company? If yes, explain its role.

Part 4: Social Norms

14. What are some of the social pressures faced by your company? And how do they impact on business ethics?

15. How do your organization address the social pressures faced by Safaricom PLC?

Part 5: Ethical Climate of the Industry

16. What is the current ethical climate of the telecommunication industry in Kenya?

17. Do you other telecommunication firms adhere to the industry's code of ethics?

Section C. Business Ethics and Competitive Advantage of Safaricom Limited

1. How has business ethics enabled your company to add value to your products and services?
2. Kindly explain to me how the business ethic practices have made your products and services more competitive than your competitors?
3. Please tell me how the business ethics practices have improved the quality of decision making in your company?
4. Would you kindly explain to me how business ethics has minimized customer complaints?
5. How has the use of business ethics enabled your company's products and services to compete in high-priced markets?
6. What are the greatest achievements that business ethics has made to your company?
7. How has the adoption of business ethics practices improved company profitability?
8. How has the adoption of business ethics improved the company's market share?