



ETHICAL LEADERSHIP AND EMPLOYEE PERFORMANCE IN COMMERCIAL STATE CORPORATIONS IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

The performance of state Corporations is indicated by such factors as their contributions to social welfare, job creation, general economic empowerment and improvement of lives of the poor. However, Kenya's state corporations for the past years have experienced an increase in employee turnover and there are no signs of change in the trend. For instance KAA have experienced exit of their talented employees including pilots and cabin crew to both international and local companies as a result of poor working conditions and poor pay. The main objective of this study was to assess the effects of ethical leadership on employee performance in commercial state corporations in Nairobi city county, Kenya. Specifically, the study sought to determine the effect of confidentiality on employee performance in commercial state corporations in Nairobi city county, Kenya and to assess the effect of professionalism on employee performance in commercial state corporations in Nairobi city county, Kenya. The descriptive research design was employed where data was collected one point in time. The study targeted a total of 225 management employees working in twenty-five (25) state corporations in Kenya. Census sampling is an appropriate technique for small sample sizes as it allows for the representation of the entire population. Therefore, census approach was appropriate for selecting the sample for this study, and the sample size for the study was 225 respondents. This study used primary data collected using a semi- structured questionnaire. Statistical Package for Social Sciences (SPSS) was used to analyze the data. Descriptive and inferential statistics were computed and findings presented in tables and figures. The study concludes that confidentiality has a significant effect on employee performance in commercial state corporations in Nairobi city county, Kenya. The study also concludes that professionalism has a significant effect on employee performance in commercial state corporations in Nairobi city county, Kenya. Based on the findings, the study recommends that the management of commercial state corporations in Kenya should establish and uphold robust confidentiality policies regarding sensitive information. Implementing comprehensive training programs that educate employees on the importance of confidentiality and the potential impact on trust and performance can create a secure work environment.

Key Words: Ethical Leadership, Confidentiality, Professionalism, Employee Performance in Commercial State Corporations in Nairobi City County, Kenya

Background of the Study

Employee performance means achievement of success and results in the workplace. It also reflects the financial or non-financial impact, which has a direct impact on the performance and success of the organization (Edevbie & McWilliams, 2023). The workforce's performance is the driving force behind any commercial firm's survival. Furthermore, it has been noticed that high-performing personnel add to the organization's efficiency and success. As a result, effective employee performance contributes to full functionality and productivity of organizational processes (Zafar, Sultan & Mannan, 2024).

Employee performance is defined as the dismissal of employees in view of set of working responsibilities that prompts the accomplishment of business targets. Employees are the most precious asset in any firm in this scenario. A successful and highly productive organization can be created through including employees in enhancing their performance. Employees must be able to demonstrate absolute dedication to the requisite performance standards in order to maintain the competitive edge (Ng & Salamzadeh, 2020).

Employees are highly valued assets in every organization, and actively including workers in the performance development cycle can easily result in a lucrative and efficient corporation (Bajpai, *et al*, 2024). The result can be much better if managed well with a high level of production, while also enhancing worker morale. Workplace success is determined by how successfully an individual meets his or her job requirements. Correct behavior and appropriate use of experience, abilities, and competence so result in high performance levels (Thaslem & Ravikumar, 2024).

Ethical leadership refers to a form of leadership that incorporates principles of ethics and morality into decision-making and behavior. Ethical leaders prioritize values such as integrity, honesty, fairness, and accountability in their actions, guiding both themselves and their followers toward ethical conduct (Kaboyi & Njenga, 2023).

One key characteristic of ethical leadership is integrity. Leaders with integrity align their words with their actions, establishing a foundation of trust and respect with their followers. Additionally, ethical leaders prioritize fairness and justice, treating all individuals equitably and making decisions that consider the well-being of all stakeholders. Transparency is another crucial element of ethical leadership. Leaders communicate openly, providing clear information about decisions, processes, and organizational goals. This transparency fosters trust among team members and contributes to a positive work environment (Salifu, Zhu & Rakib, 2022).

Accountability is a fundamental principle for ethical leaders. They take responsibility for their actions and decisions, acknowledging mistakes and actively working to rectify any negative consequences. This sense of accountability builds credibility and reinforces the ethical culture within the organization. Empathy is also a key aspect of ethical leadership. Leaders demonstrate an understanding of and consideration for the feelings and perspectives of others. This empathy contributes to the creation of a supportive and inclusive work environment (Obicci, 2020).

Respect for others is an essential value upheld by ethical leaders. They treat everyone with dignity and respect, valuing diversity and promoting an inclusive culture where different viewpoints are welcomed and appreciated (Mseti, 2023). Ethical leaders adopt a long-term perspective, considering the broader consequences of their decisions beyond short-term gains. They aim to create sustainable success for both the organization and its members. Ethical decision-making is a principled approach that ethical leaders use to weigh the moral implications of choices. They carefully consider the impact on all stakeholders, ensuring that decisions align with ethical standards (Agha, Nwekpa & Eze (2020). This study seeks to assess the influence of ethical leadership on employee performance.

Zafar, Sultan and Mannan (2024) in Pakistan found that the extension of the research model and the relationship of ethical leadership with employee performance also looks true and applicable in the Asian setting along with the high probability of a positive association in the higher education sector.

In Ghana, Salifu, Zhu and Rakib (2022) found that there is statistically significant positive relationship between ethical leadership style and job satisfaction among employees at the Ghana education service. The results further showed a significant mediating effect of work engagement in the relationship between ethical leadership and employee job satisfaction. The study concluded by informing policy for both theory and practice.

Fatuma and Gatobu (2022) found that character dimension of ethical leadership has a positive and significant effect on performance of Tana River county government, Kenya. Findings revealed that universalism, transformation and benevolence influences performance of Tana River county government, Kenya. In addition, the study concludes that technical dimension of ethical leadership has a positive and significant effect on performance of Tana River county government, Kenya. Findings revealed that decisions making, formal routines & procedures and goal setting influences performance of Tana River county government, Kenya.

Barare and Wambua (2020) found that leader's integrity, ethics training, ethical recruitment process and ethical organizational culture have a positive and significant relationship with performance of state corporations. The study further concluded that moral values positively affects employee commitment to situations and their relationship and interact with people. In addition leaders in state corporations are able to meet short-term demands without compromising their long-term vision.

Statement of the Problem

The performance of state Corporations is indicated by such factors as their contributions to social welfare, job creation, general economic empowerment and improvement of lives of the poor. The poor performance of SCs in Kenya led to outflow from central government to parastatals equivalent to 1 percent of the GDP in 2017. Further, in 2017 – 2018, the direct subsidies to parastatals amounted to Ksh 7.2 billion and as additional indirect subsidies amounted to Ksh. 14.2 billion. The levels of inflation in the country then reflected deficits financed by the Central Bank. Some ways were devised to solve these problems, such as negotiations between SC and government in a bid to clarify the former's objectives and set targets, introduction of competition and better accountability to customers, provision of incentives in form of higher salaries and benefits to employees based on performance and increased training of employees. All these measures were not 100% successful. Failure of the above measures made many governments embark on privatization (Fatuma & Gatobu, 2022).

Furthermore, in state corporations report difficulty in sustaining their operations without continued reliance on grants, external fundraising, or other subsidies. However; the commercial state corporation faces a lot of challenges (Barare & Wambua, 2020). Some of this challenge is on how to manage customers and provide quality services. Therefore, strategic dynamic capabilities could offer a solution to this dilemma through providing a management system which incorporates all functional areas of the organization. Additionally, most of financial institutions such as state corporation losses about 20% annually by failing to attend to customer relationships (Abdullahi & Njuguna, 2024).

Kenya's state corporations for the past years have experienced an increase in employee turnover and there are no signs of change in the trend (Kosgey, Ongera & Thuo, 2020). For instance KAA have experienced exit of their talented employees including pilots and cabin crew to both international and local companies as a result of poor working conditions and poor pay (Odero, 2021). Based on a report that was produced by ROK ICT center in Kenya (2015),

KCB lost approximately 400 of its talented employees who were highly skilled to both local and other international broadcasting corporation from 2009 to 2018 (Fatuma & Gatobu, 2022). It has also been found that 75% of doctors after three years of serving in public sector, travel abroad for better positions and pay or venture into private practice (Barare & Wambua, 2020). Research has shown that ethical leadership influence employee performance. This study therefore sought to assess the influence of ethical leadership on employee performance in commercial state corporations in Nairobi city county, Kenya

Objectives of the Study

General Objective

The main objective of this study was to assess the effects of ethical leadership on employee performance in commercial state corporations in Nairobi city county, Kenya.

Specific Objectives

This study was guided by the following specific objectives;

- i. To determine the effect of confidentiality on employee performance in commercial state corporations in Nairobi city county, Kenya
- ii. To assess the effect of professionalism on employee performance in commercial state corporations in Nairobi city county, Kenya

Theoretical Framework

Psychological Safety Theory

Psychological Safety Theory, developed by Schein and Bennis (1965), refers to a shared belief within a team or organization that it is safe to take interpersonal risks. This concept underscores the importance of creating an environment where individuals feel secure enough to express their thoughts, ideas, and concerns without fear of negative consequences, such as ridicule or punishment. In such an environment, team members are more likely to engage in open communication, share feedback, and admit mistakes, all of which contribute to a culture of learning and innovation (Alalade & Oguntodu, 2020). At the heart of Psychological Safety Theory is the idea that fear can hinder performance and creativity. When employees worry about how their contributions will be received or fear repercussions for voicing dissent, they are less likely to participate actively in discussions or share innovative ideas. This can lead to a stifled work atmosphere where important issues go unaddressed, ultimately impacting the organization's effectiveness. Conversely, in a psychologically safe environment, individuals feel empowered to take risks, leading to enhanced collaboration and problem-solving (Muragwa & Njenga, 2023).

The theory emphasizes the role of leadership in fostering psychological safety. Leaders who model vulnerability, actively listen to team members, and encourage participation contribute to a culture of trust and openness. By acknowledging their own mistakes and inviting feedback, leaders can set a tone that encourages others to do the same. This supportive approach not only enhances team dynamics but also helps to build resilience in the face of challenges (Ratemo, Makhamara & Bula, 2021). Research has shown that psychological safety is linked to various positive outcomes, including higher levels of engagement, creativity, and overall team performance. Organizations that prioritize psychological safety are often better positioned to adapt to change and drive innovation. However, it's important to note that creating such an environment requires ongoing effort; it involves not just initial initiatives but also sustained commitment from leadership and team members alike (Kahare & Chege, 2021). This theory was relevant in determining the effect of confidentiality on employee performance in commercial state corporations in Nairobi city county, Kenya.

Social Identity Theory

Social Identity Theory is a psychological framework that explores how individuals derive a sense of self from their membership in social groups. Developed by Henri Tajfel in the 1970s, this theory emphasizes the importance of group dynamics in shaping individual behavior, attitudes, and perceptions. It posits that people categorize themselves and others into various social groups—such as nationality, ethnicity, religion, and organizational affiliations—which influences their identity and social interactions (Candra, Sudiro & Susilowati, 2023). At the core of Social Identity Theory is the concept of social categorization. Individuals categorize themselves and others into distinct groups to simplify their social world. This process helps establish in-group (the group to which one belongs) and out-group (those outside the group) distinctions. This categorization fosters a sense of belonging and can enhance self-esteem, as individuals often view their in-groups more favorably than out-groups. For instance, fans of a sports team may feel a strong bond with fellow supporters while perceiving rival fans negatively (Purnamayanti & Indiani, 2020).

The theory also emphasizes social comparison, where individuals assess their in-group against relevant out-groups to maintain or enhance their self-esteem. This comparison often leads to bias and favoritism toward one's in-group, resulting in phenomena such as stereotyping and discrimination against out-groups. For example, a company may favor its employees over those from a competitor, impacting hiring practices and workplace dynamics. These biases can be both conscious and unconscious, deeply influencing social behavior and intergroup relations (Sobomana & Ndayambaje, 2024). Furthermore, Social Identity Theory suggests that individuals may seek to change their social identities if their in-group is perceived negatively. This can lead to social mobility, where individuals leave their current group for a more favorable one, or to social change, where they strive to improve the status of their group. Both pathways reflect the human desire for a positive social identity and highlight the dynamic nature of group affiliations (Kelemba, Chepkilot & Zakayo, 2020). This theory was relevant in assessing the effect of professionalism on employee performance in commercial state corporations in Nairobi city county, Kenya.

Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. The independent variables of the study are confidentiality and professionalism while the dependent variable of the study is employee performance in commercial state corporations in Nairobi city county, Kenya. Figure 2.1 provides a representation of the variables explored by this study.

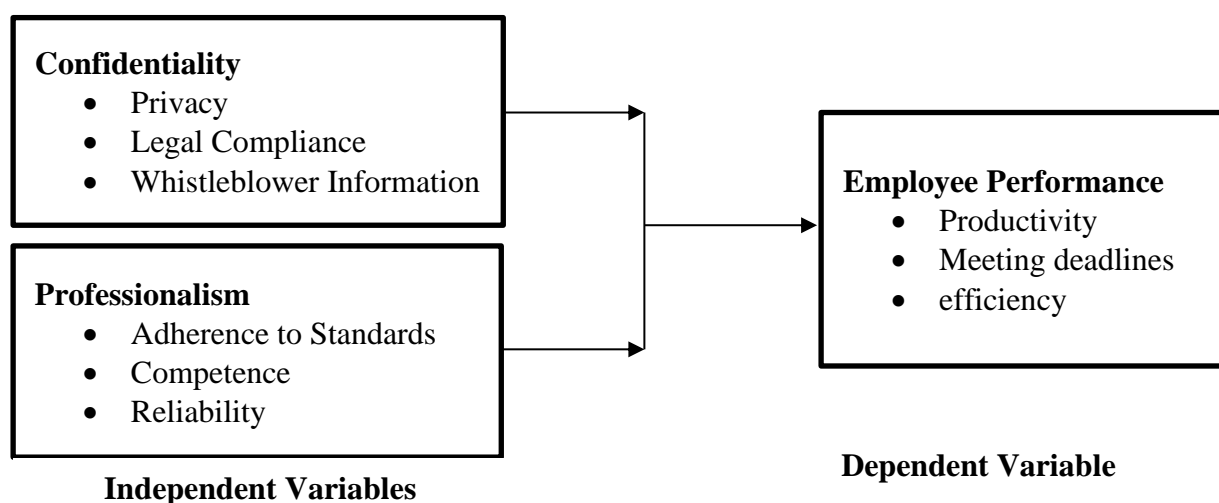


Figure 2. 1: Conceptual Framework

Confidentiality

Confidentiality refers to the ethical and legal obligation to protect sensitive information from unauthorized access or disclosure. It involves ensuring that personal, proprietary, or sensitive data is kept private and only shared with authorized individuals or parties. Confidentiality is crucial in various contexts, including healthcare, legal, financial, and corporate environments, where the trust and security of information are paramount (Mulianga, Sirai & Mutinda, 2022). Privacy refers to the right of individuals to control access to their personal information and to have their data protected from unauthorized use or disclosure. It encompasses the ability to make decisions about how one's personal information is collected, stored, and shared. In an increasingly digital world, privacy has become a critical concern, as individuals navigate complex relationships with organizations that handle their data. Effective privacy practices ensure that organizations respect individuals' rights, comply with relevant laws, and implement measures to safeguard personal information. This not only fosters trust between individuals and organizations but also enhances customer loyalty and brand reputation. A commitment to privacy is essential for creating a secure environment where individuals feel safe sharing their information (Alalade & Oguntodu, 2020).

Legal compliance involves adhering to laws, regulations, and standards that govern an organization's operations and practices. This includes a wide range of areas such as data protection, employment practices, financial reporting, and environmental regulations. Organizations must stay informed about applicable legal frameworks to mitigate risks and avoid penalties. Legal compliance not only protects the organization from legal liabilities but also promotes ethical behavior and accountability. By establishing robust compliance programs, organizations can ensure that their policies align with legal requirements and industry standards. This proactive approach not only safeguards the organization's reputation but also builds stakeholder confidence, as it demonstrates a commitment to operating within the bounds of the law (Muragwa & Njenga, 2023).

Whistleblower information refers to disclosures made by individuals, often employees, who report unethical or illegal activities occurring within an organization. Whistleblowers play a vital role in promoting transparency and accountability by bringing attention to misconduct that may otherwise go unreported. Protecting whistleblower information is crucial, as it encourages individuals to come forward without fear of retaliation or negative consequences. Effective whistleblower policies ensure confidentiality and provide clear procedures for reporting concerns. Organizations that foster a culture of openness and support for whistleblowers not only comply with legal protections but also benefit from enhanced ethical standards and improved organizational integrity. By valuing whistleblower contributions, organizations can identify and address issues proactively, ultimately leading to a healthier work environment and better overall performance (Ratemo, Makhamara & Bula, 2021).

Professionalism

Professionalism refers to the conduct, behavior, and attitude expected of individuals in a professional setting. It encompasses a range of qualities, including competence, reliability, respect, and ethical standards. Professionals demonstrate a commitment to their field, continuously seeking to improve their skills and knowledge (Kelemba, Chepkilot & Zakayo, 2020). Adherence to standards is a crucial element of professionalism that ensures individuals and organizations operate within established guidelines and best practices. These standards can be industry-specific regulations, ethical codes, or internal policies designed to maintain quality and safety. By adhering to standards, professionals demonstrate their commitment to maintaining a level of excellence in their work, which not only protects the interests of clients and stakeholders but also enhances the overall reputation of their profession. Compliance with standards fosters trust, as it assures clients that they are receiving services or products that meet

recognized benchmarks. Moreover, adherence to standards promotes consistency across the organization, leading to improved performance, reduced errors, and a culture of accountability (Oloo, Gichuhi & Mwaura, 2023).

Competence refers to the ability to perform tasks effectively and efficiently within a professional role. It encompasses a combination of knowledge, skills, and experience that enables individuals to execute their responsibilities to a high standard. Competent professionals continuously seek to enhance their expertise through ongoing education, training, and practical experience. This commitment to lifelong learning not only enhances individual performance but also contributes to the overall success of the organization. In a rapidly changing work environment, competence is vital for adapting to new challenges, technologies, and market demands. Ultimately, demonstrating competence builds credibility and trust with clients and colleagues, reinforcing the professional's reputation and fostering a culture of excellence within the workplace (Candra, Sudiro & Susilowati, 2023).

Reliability is the quality of being dependable and consistent in one's actions and responsibilities. In a professional context, reliability means that colleagues and clients can count on an individual to deliver on commitments and meet deadlines. Reliable professionals communicate effectively, keep their promises, and take accountability for their work. This consistency not only enhances team dynamics but also strengthens relationships with clients and stakeholders. Reliability is critical in establishing trust; when individuals consistently meet expectations, they contribute to a positive work environment and enhance the organization's reputation. In addition, reliability can lead to greater opportunities for collaboration and career advancement, as dependable individuals are often seen as valuable assets to their teams and organizations (Purnamayanti & Indiani, 2020).

Empirical Review

Confidentiality and Employee Performance

Alalade and Oguntodu (2020) investigated on confidentiality and employees' performance in the Nigerian banking industry a survey of selected banks. The design employed for this study is descriptive-correlation survey method. The study was conducted in the area of Lagos Island, Nigeria and population consisted of 5 selected banks in that location. 80 questionnaires were distributed to the employees of selected banks, of which 67 were returned. The study found that confidentiality has significant relationship with performance. The study concluded that confidentiality has an effect on employees' performance.

Muragwa and Njenga (2023) researched on confidentiality and performance of non-governmental organizations in Rwanda: a case of Free Methodist Church in Rwanda, Kigali City. The study used questionnaires. The population of this study was 270 employees of Free Methodist Church. The sample size of this research was selected using the formula of Slovene (1970) formula as 84 respondents. The study found a statistical significant and high positive effect of confidentiality on the organisational performance of the church. The study concluded that confidentiality has a significant influence on organisational performance of the church.

Ratemo, Makhamara and Bula (2021) assessed on confidentiality and employee performance in Kenya Forestry Research Institute Headquarter in Muguga, Kiambu County. The study used a positivism philosophy and a descriptive research design. The unit of analysis was Kenya Forestry Research Institute. The target population was all the 178 staff working in Kenya Forestry Research Institute in Muguga. A sample of 121 respondents was selected through stratified random sampling. The study found that confidentiality has significant effect on employee performance in Kenya Forestry Research Institute. The study concluded that confidentiality improves employee performance.

Kahare and Chege (2021) conducted a study on confidentiality and procurement performance at Kenya Electricity Generating Company. The population of the study included 381

procurement staff in Kenya in the two levels of management (middle and operational level of management). The probabilistic sampling method through the Taro Yamane formula was used to yield a sample of 195. The study was descriptive, data was collected through a semi structured questionnaire. The study found that confidentiality influenced procurement performance. The study concluded that confidentiality had a positive and significant influence on procurement performance at KenGen.

Professionalism and Employee Performance

Candra, Sudiro and Susilowati (2023) assessed on the relationship between work professionalism toward employee performance in mediating of organizational climate. This study uses explanatory research with a quantitative approach. The population of this study included all Muaradua Regional General Hospital paramedics with a work period of more than one year. The study found that organizational climate becomes partially mediating the relationship between work professionalism on employee performance. The study concluded that work professionalism, and organizational climate can directly improve employee performance.

Purnamayanti and Indiani (2020) researched on the effect of employee professionalism on employee performance. The population in this study is the State Civil Apparatus at the Badung District Health Office as many as 70 employees with the sampling technique using saturated sample. The study found that employee professionalism had a significant positive effect on employee performance but not significant on employee job satisfaction. The study concluded that there is an influence on professionalism on employee performance.

Kelemba, Chepkilot and Zakayo (2020) conducted a study on the influence of professionalism on employee performance in public service in Kenya. The study adopted a cross-sectional survey design. The target group comprised of 126,998 employees drawn from twenty ministries in Kenya. The study used a sample of 225 out of whom 203 took part in the study. The study found that the employees' level of performance in public service commission is significantly influenced by professionalism. The study concluded that professionalism improves employee performance.

Oloo, Gichuhi and Mwaura (2023) examined on the influence of professionalism on organisational performance of Christian Organisations Research Advisory Trust of Africa (CORAT Africa), Kenya. The study employed a descriptive design. The study population comprised 60 CORAT Africa employees. The study found that professionalism had a positive correlation with organisational performance. The study concluded that professionalism had a statistically significant influence on organisational performance.

RESEARCH METHODOLOGY

Research Design

The descriptive research design was employed where data was collected one point in time. Creswell and Creswell (2019) notes that a descriptive survey seeks to obtain information that describes existing phenomena by asking questions relating to individual perceptions and attitudes. The design was considered suitable as it allows an in-depth study of the problem under investigation.

Target Population

According to information from the website of state corporation's advisory committee (2021), there are 25 state corporations in Nairobi County, Kenya. The study targeted a total of 225 management employees working in twenty-five (25) state corporations in Kenya. In every organization, the study targeted management employees. Management employees were targeted since they can provide adequate information on ethical leadership and employee performance in commercial state corporations in Nairobi city county, Kenya

Table 3. 1: Target Population

Category	Target Population
Top managers	25
Middle Level Managers	75
Lower Level Managers	125
Total	225

Sample Size and Sampling Techniques

In this study, due to the small size of the study population, the census sampling approach was used. Census sampling is a technique of statistical sampling that involves collecting data from every member of a population (Särndal, Swensson & Wretman, 1992). In a census, every member of the population is included in the sample and data is collected from all of them. Therefore, census approach was appropriate for selecting the sample for this study, and the sample size for the study was 225 respondents.

Data Collection Instrument

Data was collected using a self-administered semi-structured questionnaire. Semi-structured questionnaires were used since they enabled the researcher collect quantitative data. Questionnaires are a good method because they provide clarifications seek by respondents and they can be collected immediately after they are completed. Structured questionnaires are easy to administer, analyze and are economical in terms of time and money. A five-point Likert scale was used to measure all variables. The lowest rating of 1 signifies a low opinion by respondent while a high rating of 5 signifies a high rating by the respondents.

Pilot Study

A pilot test was conducted to determine validity and reliability of the data collection instrument. A pilot study is a small experiment designed to test logistics and gather information prior regarding a larger study, in order to improve the latter quality and efficiency. A pilot study can reveal deficiencies in the design of proposed experiment and procedure and these can be addressed before time and resources are expended on large scale studies. The responses from respondents were used to adjust and refine questionnaire accordingly. According to Mugenda and Mugenda (2019) the pretest sample should be between 1% and 10% depending on the sample size.

Data Analysis and Presentation

Data obtained from the field was coded, cleaned, and entered into the computer for analysis using the SPSS version 25. The data was summarized in order to see emerging trends and issues around specific themes, which are dependent on the variables and objectives. Presentation of data was done in form of quantitative and qualitative reports which was presented in forms of tables and essay. For the quantitative reports, the tables consisted of mean and standard deviation values that were used to make interpretation of the analysis. Percentage, mean and standard deviation were used to show the frequency of responses. Tables were used to display the rate of responses and to facilitate comparison. Qualitative reports were presented in form of essay which was discussed as per the study objectives aligned with the theories and empirical study.

Descriptive statistical included frequency, percentages, mean and standard deviation. Inferential statistical analysis to be used was multiple regression and correlation analysis. The significant of each independent variable was tested at a confidence level of 95%.

DATA ANALYSIS AND FINDINGS

Descriptive statistics

Confidentiality and Employee Performance

The first specific objective of the study was to determine the effect of confidentiality on employee performance in commercial state corporations in Nairobi city county, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to confidentiality and employee performance in commercial state corporations in Nairobi city county, Kenya. The results were as presented in Table 4.1.

From the results, the respondents agreed that they feel that their personal information is handled with care and confidentiality in their organization (M=3.952, SD=0.821). In addition, the respondents agreed that their organization has clear policies in place to protect employee privacy (M=3.905, SD=0.854). Further, the respondents agreed that they trust that sensitive information shared with colleagues is kept confidential. (M=3.873, SD=0.761). The respondents also agreed that their organization takes legal compliance seriously and regularly updates its policies accordingly (M=3.820, SD=0.756).

From the results, the respondents agreed that they believe that management is knowledgeable about relevant laws and regulations concerning confidentiality (M=3.798, SD=0.886). Further, the respondents agreed that employees receive adequate training on legal compliance related to confidential information (M=3.783, SD=0.676). The respondents also agreed that they feel safe reporting unethical behaviour or violations of confidentiality without fear of retaliation (M=3.773, SD=0.542). In addition, the respondents agreed that the organization has a clear process for reporting whistle-blower concerns that protects their identity (M=3.754, SD=0.789).

Table 4. 1: Confidentiality and Employee Performance

	Mean	Std. Deviation
I feel that my personal information is handled with care and confidentiality in our organization.	3.952	0.821
Our organization has clear policies in place to protect employee privacy.	3.905	0.854
I trust that sensitive information shared with colleagues is kept confidential.	3.873	0.761
Our organization takes legal compliance seriously and regularly updates its policies accordingly.	3.820	0.756
I believe that management is knowledgeable about relevant laws and regulations concerning confidentiality.	3.798	0.886
Employees receive adequate training on legal compliance related to confidential information.	3.783	0.676
I feel safe reporting unethical behaviour or violations of confidentiality without fear of retaliation.	3.773	0.542
The organization has a clear process for reporting whistle-blower concerns that protects my identity.	3.754	0.789
Aggregate	3.832	0.761

Professionalism and Employee Performance

The second specific objective of the study was to assess the effect of professionalism on employee performance in commercial state corporations in Nairobi city county, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to professionalism and employee performance in commercial state corporations in Nairobi city county, Kenya. The results were as presented in Table 4.2.

From the results, the respondents agreed that their organization promotes adherence to professional standards in all tasks (M=3.928, SD=0.886). In addition, the respondents agreed that employees are regularly trained on the relevant standards and best practices in their field (M=3.911, SD=0.889). Further, the respondents agreed that they believe that maintaining high standards is valued and rewarded within their organization (M=3.831, SD=0.779). The respondents also agreed that they feel confident in their skills and knowledge to perform their job effectively (M=3.816, SD=0.674).

The respondents agreed that their organization provides opportunities for on-going professional development and training (M=3.801, SD=0.787). Further, the respondents agreed that they actively seek to improve their competencies and stay updated with industry trends (M=3.781, SD=0.577). The respondents also agreed that they consistently meet deadlines and deliver on their commitments (M=3.674, SD=0.776). In addition, the respondents agreed that their colleagues can depend on them to fulfil their responsibilities (M=3.664, SD=0.921).

Table 4. 2: Professionalism and Employee Performance

	Mean	Std. Deviation
Our organization promotes adherence to professional standards in all tasks.	3.928	0.886
Employees are regularly trained on the relevant standards and best practices in our field.	3.911	0.889
I believe that maintaining high standards is valued and rewarded within our organization	3.831	0.779
I feel confident in my skills and knowledge to perform my job effectively.	3.816	0.674
Our organization provides opportunities for on-going professional development and training.	3.801	0.787
I actively seek to improve my competencies and stay updated with industry trends.	3.781	0.577
I consistently meet deadlines and deliver on my commitments.	3.674	0.776
My colleagues can depend on me to fulfil my responsibilities.	3.664	0.921
Aggregate	3.801	0.786

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (confidentiality and professionalism) and the dependent variable (employee performance in commercial state corporations in Nairobi city county, Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4. 3: Correlation Coefficients

	Employee Performance	Confidentiality	Professionalism	
Employee Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	205		
Confidentiality	Pearson Correlation	.811**	1	
	Sig. (2-tailed)	.003		
	N	205	205	
Professionalism	Pearson Correlation	.856**	.098	1
	Sig. (2-tailed)	.002	.146	
	N	205	205	205

From the results, there was a very strong relationship between confidentiality and employee performance in commercial state corporations in Nairobi city county, Kenya ($r = 0.811$, p value $=0.003$). The relationship was significant since the p value 0.003 was less than 0.05 (significant level). The findings are in line with the findings of Alalade and Oguntodu (2020) that there is a very strong relationship between confidentiality and employee performance.

The results also revealed that there was a very strong relationship between professionalism and employee performance in commercial state corporations in Nairobi city county, Kenya ($r = 0.856$, p value $=0.002$). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the results of Oloo, Gichuhi and Mwaura (2023) who revealed that there is a very strong relationship between professionalism and employee performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (confidentiality and professionalism) and the dependent variable (employee performance in commercial state corporations in Nairobi city county, Kenya).

Table 4. 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888	.789	.788	.10228

a. Predictors: (Constant), confidentiality and professionalism

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.789 . This implied that 78.9% of the variation in the dependent variable (employee performance in commercial state corporations in Nairobi city county, Kenya) could be explained by independent variables (confidentiality and professionalism).

Table 4. 5: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	141.081	2	70.541	979.72	.000 ^b
1 Residual	7.234	202	.036		
Total	148.315	204			

a. Dependent Variable: employee performance in commercial state corporations in Nairobi city county, Kenya

b. Predictors: (Constant), confidentiality and professionalism

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 979.72 while the F critical was 2.417 . The p value was 0.000 . Since the F -calculated was greater than the F -critical and the p value 0.000 was less than 0.05 , the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of confidentiality and professionalism on employee performance in commercial state corporations in Nairobi city county, Kenya.

Table 4. 1: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	0.226	0.058		3.896	0.000
	confidentiality	0.342	0.093	0.343	3.677	0.003
	professionalism	0.360	0.094	0.359	3.830	0.001

a Dependent Variable: employee performance in commercial state corporations in Nairobi city county, Kenya

The regression model was as follows:

$$Y = 0.226 + 0.342X_1 + 0.360X_2 + \varepsilon$$

According to the results, confidentiality has significant effect on employee performance in commercial state corporations in Nairobi city county, Kenya, $\beta_1=0.342$, p value= 0.003). The relationship was considered significant since the p value 0.003 was less than the significant level of 0.05. The findings are in line with the findings of Alalade and Oguntodu (2020) that there is a very strong relationship between confidentiality and employee performance.

In addition, the results revealed that professionalism has significant effect on employee performance in commercial state corporations in Nairobi city county, Kenya, $\beta_1=0.360$, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the results of Oloo, Gichuhi and Mwaura (2023) who revealed that there is a very strong relationship between professionalism and employee performance.

Conclusions

The study concludes that confidentiality has a significant effect on employee performance in commercial state corporations in Nairobi city county, Kenya. The study findings revealed that privacy, legal compliance and whistleblower information influences employee performance in commercial state corporations in Nairobi city county, Kenya.

The study also concludes that professionalism has a significant effect on employee performance in commercial state corporations in Nairobi city county, Kenya. The study findings revealed that adherence to standards, competence and reliability influences employee performance in commercial state corporations in Nairobi city county, Kenya.

Recommendations

The study recommends that the management of commercial state corporations in Kenya should establish and uphold robust confidentiality policies regarding sensitive information. Implementing comprehensive training programs that educate employees on the importance of confidentiality and the potential impact on trust and performance can create a secure work environment.

The study also recommends that the management of commercial state corporations in Kenya should promote a culture of professionalism through targeted training and development programs. These programs should focus on essential soft skills such as communication, teamwork, and conflict resolution, while also emphasizing the importance of ethical behavior and accountability.

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