



**MAKERERE UNIVERSITY**  
**MAKERERE UNIVERSITY BUSINESS SCHOOL**

**STAKEHOLDER MANAGEMENT, ETHICAL LEADERSHIP AND  
CORPORATE SUSTAINABILITY AMONG LINE  
MINISTRIES IN UGANDA**

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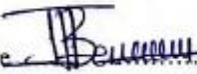
**A DISSERTATION SUBMITTED TO THE FACULTY OF GRADUATE  
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LEADERSHIP AND GOVERNANCE OF  
MAKERERE UNIVERSITY.**

**PLAN A**

**NOVEMBER, 2023**

## DECLARATION

I, **ARINANYE JAMES**, declare that this dissertation titled *stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda* has been continuously guided by Dr. Godwin Kwemarira and Ms. Bridget Namubiru, and has not been submitted for any other degree award to any other university before.

Signature  .....

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## APPROVAL

This dissertation titled “*stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda*” has been continuously guided by Dr. Godwin Kwemarira and Ms. Bridget Namubiru, and its ready for submission with our approval as MUBS supervisors.

Signature.....

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Date 22.11.2023.....

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**Ms. Bridget Namubiru**

Date 22/Nov/23.....

## **DEDICATION**

This dissertation is dedicated to my wife Dorothy Ninsiima, my children Jim, Harry, Kylie and Austin, my parents Mr. and Mrs. Joseph Bemera and Leo-Cadia and my siblings Alex, Sarah and Ruth for the unprecedented overwhelming support, comfort, guidance and encouragement given to me during the entire research programme. May God bless you.

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## TABLE OF CONTENTS

DECLARATION .....	i
APPROVAL .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES .....	ix
LIST OF ACROYNMS AND ABBREVIATIONS .....	x
ABSTRACT.....	xi
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background to the study .....	1
1.2 Problem statement.....	4
1.3 Purpose of the study .....	5
1.4 Research objectives.....	5
1.5 Research Questions .....	6
1.6 Study Scope .....	6
1.6.1 Content scope.....	6
1.6.2 Geographical scope .....	6
1.6.3 Time Scope .....	7
1.7 Significance of the study.....	7
1.8 Conceptual framework.....	9
1.8.1 Description of the conceptual frame work.....	9

<b>CHAPTER TWO .....</b>	<b>10</b>
<b>LITERATURE REVIEW .....</b>	<b>10</b>
2.1 Theoretical review .....	10
2.1.1 Stakeholder theory .....	10
2.2 Corporate sustainability .....	11
2.3 Stakeholder management .....	13
2.4 Ethical leadership.....	15
2.5 Stakeholder management and corporate sustainability.....	17
2.6 Ethical leadership and corporate sustainability.....	20
2.7 The combined power of stakeholder management and ethical leadership on corporate sustainability .....	23
2.8 Summary of literature review .....	26
<b>CHAPTER THREE .....</b>	<b>27</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>27</b>
3.1 Research Design.....	27
3.2 Population of the Study.....	27
3.4 Unit of analysis and unit of inquiry .....	28
3.5 Data sources .....	28
3.6 Data collection instruments.....	29
3.7 Measurement of variables .....	29
3.8 Reliability and validity.....	30
3.8.1 Reliability analysis.....	30
3.8.2 Validity .....	30

3.9 Data processing and analysis .....	31
3.10 Ethical considerations .....	32
<b>CHAPTER FOUR.....</b>	<b>33</b>
<b>PRESENTATION AND INTERPRETATION OF RESULTS .....</b>	<b>33</b>
4.0 Introduction.....	33
4.1 Response Rate.....	33
4.2 Demographic Characteristics of respondents.....	34
4.3 Details of the line ministries in Uganda.....	37
4.4 Correlation Results.....	38
4.4.1 The relationship between stakeholder management and corporate sustainability. ....	39
4.4.2 The relationship between ethical leadership and corporate sustainability.....	39
4.5 Regression Results .....	39
<b>CHAPTER FIVE .....</b>	<b>42</b>
<b>DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS .....</b>	<b>42</b>
5.0 Introduction.....	42
5.1 Discussion of Findings.....	42
5.1.1 Relationship between stakeholder management and corporate sustainability .....	42
5.1.2 Relationship between ethical leadership and corporate sustainability.....	44
5.1.3 The combined power of stakeholder management and ethical leadership on corporate sustainability. ....	45
5.2 Conclusion .....	46
5.3 Recommendations.....	47
5.3 Study limitations .....	48



5.4 Areas for further research .....	49
REFERENCES .....	50
Appendix 1: Questionnaire .....	57
Appendix 2: List of Ministries .....	62

## LIST OF TABLES

Table 3.1: Reliability Analysis.....	30
Table 3.2: Content Validity Index.....	31
Table 4.1: Response Rate.....	33
Table 4.2: Gender of the Respondents.....	34
Table 4.3: Age of the Respondents.....	34
Table 4.4: Highest Education level Attained.....	35
Table 4.5: Marital Status of the Respondents.....	35
Table 4.6: Years of with the Ministry.....	36
Table 4.7: Relation to the Ministry.....	36
Table 4.8: Employment category.....	37
Table 4.9: Years of operation.....	37
Table 4.10: Number of employees.....	38
Table 4.11: Correlations.....	38
Table 4.12: Shows the regression results of the study variables.....	40

## **LIST OF ACROYNMS AND ABBREVIATIONS**

CS	-	Corporate Sustainability
CEO	-	Chief Executive Officer
CSR	-	Corporate Social Responsibility
CVI	-	Content Validity Index
EL	-	Ethical Leadership
MOFPED	-	Ministry of Finance, Planning and Economic Development
NPA	-	National Planning Authority
OECD	-	Organization for Economic Co-operation and Development
PMI	-	Project Management Institute
SDG	-	Sustainable Development Goals
SD	-	Standard Deviation
SM	-	Stakeholder management
SPSS	-	Statistical Package for Social Sciences
UDC	-	Uganda Development Corporation
UIA	-	Uganda Investment Authority
UN	-	United Nations
UNDP	-	United Nations Development Programme

## **ABSTRACT**

The government of Uganda plays a critical role in enabling corporate sustainability goals within ministries. However, corporate sustainability is still a worry among line Ministries and number of them have been merged since they are no longer operational given the less work done given and few or no staff (Parliament of Uganda, 2022). This study examined the relationship between stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda. This study was based on the objectives: to examine the relationship between stakeholder management and corporate sustainability, the relationship between ethical leadership and corporate sustainability and the combined power of stakeholder management and ethical leadership on corporate sustainability. A cross sectional research design was used with a sample size of 30 ministries from which 10 respondents were targeted leading to 300 respondents. 240 responded indicating a response rate of 80%. The data was analyzed using SPSS v23 and results presented based on the study objectives. Findings revealed a significant positive relationship between stakeholder management and corporate sustainability, and also a significant positive relationship between ethical leadership and corporate sustainability. Overall stakeholder management and ethical leadership explain 79.3% of the variance in corporate sustainability among line ministries in Uganda. In addition, ethical leadership was found a stronger predictor of sustainability given by 65.2% compared to stakeholder management given by 28%. Therefore, the study recommended that ethical leadership practices such as fairness, people orientation, power sharing and moral behavior should be emphasized among leaders in order to attain the desired level of corporate sustainability among line ministries in Uganda. Further studies may also be conducted on other factors which explains the remaining 20.7% of the variance in corporate sustainability among line ministries in Uganda.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the study

The concept of sustainability is one of the vital concerns of global institutional communities. Efforts around the world are focused on improving and attaining sustainability of institutions especially ministries (Akhtar, Lodhi & Khan, 2015). Specifically, the survival of line ministries in poverty alleviation cannot be over-emphasized given a multiplicity of studies cementing the position governments occupy in improving the livelihood of the poor (Bayai & Ikhide, 2018). Hence, the existence of sound government bodies is a key factor to stimulate many economic variables (OECD, 2020).

The global framework of the corporate sustainability (CS) aims to overcome challenges such as economic growth, social inclusion, and environmental protection (Ferro et al., 2019). The CS construct implicitly adopt the “three-pillar-model” (Neumann et al., 2017), attempting to balance all three dimensions of sustainable development: the economic, social and environmental (UN, 2015). Institutions particularly ministries need to give careful consideration to changes in the political, environmental and societal trends to be successful (Pazienza et al., 2022). Adoption of corporate sustainability practices enhance organisations’ reputations, performance and reduce conflicts with stakeholders (Siyal et al., 2022). In order to be considered sustainable, corporations need to embed sustainability strategies into their business model through adopting new governance strategies and performances that involve stakeholders conscientiously and contribute to the continuous improvement of social, environmental, and economic conditions on a regional and/or global scale (Ashrafi et al., 2018).

In Uganda, the government has taken a bold and ambitious collective initiative to address corporate sustainability (Banugire, 2022). Models like the cooperatives model for commercialisation of peasant agriculture, The Uganda Development Corporation (UDC) model for sustainable industrialization and the strategic planning model (SPM) for overall coordination of resource mobilisation and resource allocation for accelerated and inclusive economic growth and development have been established (Uganda NPA 2020, MOFPED, 2020). However, line ministries in Uganda still lacks effective mechanism for long-term planning; the mandates and institutional capacities of the NPA are still limited by both resources as well as conceptual approaches / methods and political governance practices (Banugire & Namanya 2018). There are also issues of sharing of administration costs of development policies and programmes in both development budgets and duplication of line ministries tasks in the office of the president (Banugire, 2022). Presidential manifesto-driven policies are motivated by regime survival, and benefit bureaucrats and politicians most (Banugire, 2017). Hence, achieving corporate sustainability within line ministries is still required.

Previous studies indicate that stakeholder management (Ashrafi et al., 2018; Stahl et al., 2020; Salvioni & Almici, 2020) and ethical leadership (Saha et al., 2020; Crifo et al., 2019) influence corporate sustainability. Collaborations among corporations, as major actors, have a particularly substantive role to play in the process of achieving corporate sustainability contributing to various multiplier effects such as job creation, income generation and empowerment, human capital development, technology transfer and skill training, and product and service development (Ashrafi et al., 2018). Personal values have impact on their ethical leadership that in turn has direct positive impact on CSR and direct and indirect impact on firm performance (Saha et al.,

2020). According to Crifo et al. (2019) corporate sustainability is primarily driven by leaders' ethical values in relation to organisations' governance performance.

The study will be explained by the Stakeholder theory by Freeman (1984) which suggests that disclosure reflects the relative power influence of different stakeholders. The theory suggests that the role of corporate management is to assess the importance of meeting stakeholder demands to achieve the strategic objectives of a firm (Freeman, 1983). The theory suggested that leaders should tailor their policies to satisfy the needs of all the stakeholders, not just those of the shareholders. Similarly, if organizations want to be effective, they will pay attention to all and only those relationships that can affect or be affected by the achievement of the organization's purpose (Freeman & Velamuri, 2021). In this study stakeholders consists the ministries, employees, public, private entities, the media and other agencies. In this study, the stakeholder theory was employed to give support to the effect of ethical leadership among line ministries in Uganda and how it can influence corporate sustainability.

Though there are empirical studies on corporate sustainability in Uganda (forexample, Nkuutu et al., 2020; Ssebunya et al., 2019; Orobia et al., 2020; Quartey & Oguntoye, 2020; Sendawula et al., 2020; Tauringana, 2020) there is need for further studies to close gaps in those studies. Those studies mainly considered other determinants of corporate sustainability forexample the study of Nkuutu et al. (2020) focused on board governance quality and risk disclosure compliance among financial institutions. Orobia et al (2020) focused on entrepreneurial framework conditions and business sustainability among the youth and women entrepreneurs. Quartey & Oguntoye (2020) focused on promoting corporate sustainability in small and medium-sized enterprises. Sendawula et al (2020) focused on environmental commitment and environmental sustainability practices of manufacturing small and medium enterprises. The above studies focused on other determinants

of corporate sustainability other than stakeholder management and ethical leadership among line ministries in the Ugandan context. Therefore, this study sought to close the gap.

## **1.2 Problem statement**

Organisations which implement corporate sustainability (CS) cause minor or no damage to the society and environment with their operations by utilizing and wasting minimum to zero level of natural resources, particularly the non-renewable ones (Davenport et al., 2018). In Uganda, the government of plays a critical role in enabling corporate sustainability goals within ministries through transformations which involves putting in place functioning institutional structures and provision of financial resources needed by ministries to operate in neutral manner. For example, models like The Uganda Development Corporation (UDC) model for sustainable industrialization and the strategic planning model (SPM) for overall coordination of resource mobilisation and resource allocation for accelerated and inclusive economic growth and development were established (Uganda NPA 2020).

However, corporate sustainability is still a worry among line Ministries and number of them have been merged since they are no longer operational given the less work done given and few or no staff (Parliament of Uganda, 2022). It is evident that, in Uganda, corporate sustainability among line Ministries is relatively weak and problematic due to weak institutional environment, lack of the rule of law, less corruption control, political interference, failure to manage stakeholders and the absence of knowledgeable people (Parliament of Uganda, 2022).

In addition, Environmental sustainability and the impact of climate change, and its linkages to poverty reduction remain a major challenge for Ugandan ministries (UNDP, 2020). Line Ministries are also faced with integrated action on social, environment and economic challenges with a focus on inclusive a participatory development (UN, 2019). Exclusion, marginalization



and powerlessness of some sections of society, such as women and other marginalized groups is a serious hindrance to their participation in national development initiative (NDP III, 2020). The failure to attain corporate sustainability among ministries could be attributed to failure to manage stakeholder (Ashrafi et al., 2018; Stahl et al., 2020; Salvioni & Almici, 2020) and unethical leadership (Saha et al., 2020; Crifo et al., 2019; Lee, 2020).

Previous studies for example Nkuutu et al. (2020) considered board governance quality and risk disclosure compliance, Orobia et al (2020) reflected on entrepreneurial framework conditions and Sendawula et al (2020) contemplated on environmental commitment as factors that determine corporate sustainability. Therefore, this study sought to examine the relationship between stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda.

### **1.3 Purpose of the study**

The purpose of the study was to examine the relationship between stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda.

### **1.4 Research objectives**

- i. To examine the relationship between stakeholder management and corporate sustainability among line ministries in Uganda.
- ii. To examine the relationship between ethical leadership and corporate sustainability among line ministries in Uganda.
- iii. To examine the combined power of stakeholder management and ethical leadership on corporate sustainability among line ministries in Uganda.

## **1.5 Research Questions**

- i. What is the relationship between stakeholder management and corporate sustainability among line ministries in Uganda?
- ii. What is the relationship between ethical leadership and corporate sustainability among line ministries in Uganda?
- iii. What is the combined power of stakeholder management and ethical leadership on corporate sustainability among line ministries in Uganda?

## **1.6 Study Scope**

### **1.6.1 Content scope**

The study focused on stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda. Stakeholder management and ethical leadership were the independent variables while corporate sustainability was the dependent variable. The study considered stakeholder management and ethical leadership because both factors are enhancing corporate sustainability (Stahl et al., 2020, Saha et al., 2020; Tian et al., 2015). This study utilized ideas and concepts on how stakeholder management and ethical leadership contributed knowledge on the corporate sustainability.

### **1.6.2 Geographical scope**

The study focused on line ministries headquarters in Kampala like Ministry of Health, Ministry of Lands, Housing and Urban Development, Ministry of Works and Transport, Ministry of finance, planning and economic development, Ministry of education and sports, Ministry of Public Service, Ministry of Information, Communications Technology and National Guidance, Ministry of Energy and Mineral Development and Ministry of Water and Environment among

others. The reason for choosing line ministries in Kamapala was because they have a big number of employees who reside there and are geographically easily accessible to the researcher.

### **1.6.3 Time Scope**

The study was carried-out in a period of six months from February to July 2023 and considered a data available for period of over five (5) years from 2019 to 2023. This is because this is the time when corporate sustainability was a worry among line Ministries and number of them have been merged since they are no longer operational given the less work done or given and few or no staff (Parliament of Uganda, 2022).

### **1.7 Significance of the study**

This research may be helpful to the management of public institutions' in identifying and harmonizing the corporate sustainability with various stakeholders.

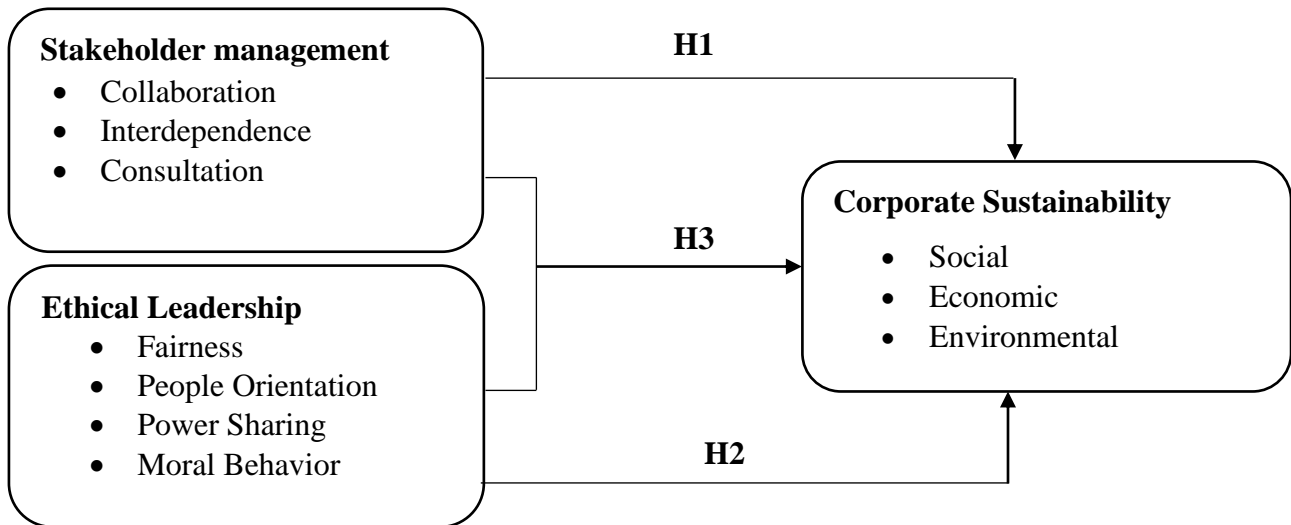
**Policy makers:** This study may be important to policy makers like line ministries and the newly emerging ministries in formulating policies and procedures for enhancing corporate sustainability. This may be through the findings on how stakeholder management and ethical leadership predicts corporate sustainability. This study may yield empirical evidence for making reliable recommendations and thereafter sound implementation may be based on these findings by public officers. Policy makers may find the results useful in formulating policies towards improving the survival and sustainability of line ministries in Uganda. Understanding whether the current policies in regard to line ministries sustainability are effective may help the Ugandan government to decide whether or not to continue with these policies and even consider making them compulsory or drop them.

**Line ministries;** The government ministries may too benefit from the outcome of this study. The government ministries may be in a position to know their effort in corporate sustainability adoption and use and the challenges that come with it. This may therefore ease their mode of implementation of the reform since the hindering factors are already established.

**Scholars** undertaking related studies may benefit from these theories and empirical findings. Future Researchers may use information in this study as part of a literature review while carrying out other research on the impact of stakeholder management and ethical leadership on corporate sustainability. The research may expand the pool of knowledge in the area of stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda. Researchers, policy makers, donors, private sector and change agents may gain deeper insight, appreciate and understand the opportunities and challenges facing line ministries sustainability in general and in Uganda in particular.

**Conceptually,** the study may generate an academic debate about the relationship between stakeholder management and ethical leadership on corporate sustainability among line ministries in Uganda. Corporate leaders lead who guide their organizations on the path of becoming better corporate citizens realize such visionary leaders can lead this charge toward the CS movement. The researcher anticipates that the outcomes of this study may contribute to the knowledge base of CS and positively-impact social and organizational change as applicable and indicate improved management practices.

## 1.8 Conceptual framework



*Source:* Developed and modified by the researcher based on (Fawares, & Almheidat, 2022; Zaim et al., 2021; Loo Alcívar et al., 2020; Mwesigwa et al., 2019; Shahzad et al., 2019; Mwesigwa et al., 2018; Ibrahim & Mayende, 2018; Hawass, 2016; Kalshoven et al., 2011; Brown et al., 2005)

### 1.8.1 Description of the conceptual frame work

The conceptual framework above illustrated the relationship between stakeholder management, ethical leadership and corporate sustainability. stakeholder management and ethical leadership are the independent variables while corporate sustainability is the dependent variable. This model demonstrated that stakeholder management (collaboration, interdependence and consultation) and ethical leadership (fairness, people orientation, power sharing and moral behavior) may each independently predict corporate sustainability. It is hypothesized that stakeholder management and ethical leadership (independent variables) explain changes in corporate sustainability among line ministries in Uganda.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Theoretical review**

##### **2.1.1 Stakeholder theory**

Stakeholder theory was propounded by Freeman in 1984 through his work on strategic management (Freeman, 1984). In this theory, he referred stakeholders as any group or individual that can affect or is affected by the achievement of the organization's objectives (McGrath & Whitty, 2017). Given the fact that stakeholders comprise of a broad spectrum of people, Freeman mentioned a set of stakeholders that can affect or be affected by a project; governments, local community, competitors, consumer advocates, environmentalists, special interest groups and the media. Stakeholder theory considers the fact that all human beings are ultimately affected by any decision and considers all people to have equality of opportunity and consideration (Mainardes & Raposo, 2012). This is because all people have an equal and legitimate interest in a safe and stable life. However, in some situations, the external stakeholders are very key and cannot be relegated to a subsidiary position (Freeman, 1984; Heravi et al., 2015). Stakeholder management is defined as the practice whereby an organisation manages the interests and expectations of stakeholders (Kabahinda & Mwesigwa, 2022). Managing interests of multiple stakeholders is necessary because they play important roles such as advocates, sponsors, partners and agents of change (Mwesigwa et al., 2019). The concepts of stakeholder management and ethical leadership has emerged highly as a corporate sustainable process and is supported by the stakeholder theory (Acerete, Royo & Yetano, 2010).

For corporate sustainability to be ensured, stakeholder theory argues on inclusion of stakeholders in innovation and management and thus satisfying their needs. The theory further argues ethical

leadership practices like fairness, power sharing, people orientation, efficiency of management and decision-making processes through actual inclusion of stakeholders (Acerete et al. 2010). Corporate sustainability is the application of sustainable development at micro level, i.e., the corporate level; including the short-term and long-term economic, environmental and social performance of a corporation (Dyllick & Muff 2015; Hahn et al. 2017). Stakeholder theory holds that ministries in Uganda have a social responsibility that requires them to consider the interest of all parties affected by their actions (Freeman, 1984). Freeman suggested that leaders should tailor their policies to satisfy the needs of all the stakeholders, not just those of the shareholders. Similarly, if ministries in Uganda want to be effective in corporate sustainability, they will pay attention to all and only those relationships that can affect or be affected by the achievement of the organization's purpose (Freeman, 1984; Freeman & Velamuri, 2021). Carroll and Buchalitz (2003) categorized stakeholders into primary and secondary stakeholders. In this study, the stakeholder theory was employed to give support to the effect of ethical leadership on corporate sustainability among line ministries in Uganda. Similarly, the effects of ethical leadership on corporate sustainability are guided by stakeholder theory.

## **2.2 Corporate sustainability**

Corporate sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments (Robeco, 2013; Lüdeke-Freund, 2009). Corporate sustainability is an approach aiming to create long-term stakeholder value through the implementation of a business strategy that focuses on the ethical, social, environmental, cultural, and economic dimensions of doing business (Camilleri, 2017). Organisations which implement corporate sustainability (CS) cause minor or no damage to the society and environment with their operations by utilizing and

wasting minimum to zero level of natural resources, particularly the non-renewable ones (Davenport et al., 2018).

The application of sustainable development at micro level, i.e., the corporate level; including the short-term and long-term economic, environmental and social performance of a corporation determines the organisations level of corporate sustainability (Hahn et al. 2017). Sustainable development is based on a triple-bottom-line, i.e., the balance of environmental, social and economic pillars (Liute & De Giacomo, 2022). CS is heterogeneously reflected in the triple bottom line concept and the business case model, indicating that economic, environmental and social aspects should be integrated equally in stakeholder management (Budsaratragoon & Jitmaneeroj, 2021). In order to be considered sustainable, corporations need to integrate sustainability strategies into their business model through adopting new governance strategies and performances that involve stakeholders conscientiously and contribute to the continuous improvement of social, environmental, and economic conditions on a regional and/or global scale (Székely & Vom Brocke 2017).

Corporate sustainability (CS) consists of three dimensions, namely social sustainability, which relates to people and society, environmental sustainability, which focuses on earth and natural resources, and economic sustainability, which concentrates on the financial aspects of firms (Shahzad et al., 2019). Loor Alcívar et al. (2020) also considers the three dimensions of CS in terms of economic, social and environmental. It looks to identify the adaptability of the measure for companies operating within the social economy, specifically cooperatives (Loor Alcívar et al., 2020).

The economic dimension is the creation of competitive value and advantage, given that the businesses are considered a source of material wealth, which allows them to subsist with the



passing of time (Ait Sidhoum & Serra, 2018; Lee, & Saen, 2012). Even though the cooperatives' final goal is not to obtain financial profit, they must be economically sustainable to achieve the principle of equal distribution of surplus (González Santacruz et al., 2020). The social dimension addresses the management of a business in relation to the reduction of social inequality, tending to improve the quality of life of all its stakeholders (Popescu & Popescu, 2019). It also has to be taken into account which social issues can be included in the commercial strategy of the organisation, which translates to a positive image towards the community (Ait Sidhoum & Serra, 2018; Quinn, 2019). The environmental dimension includes the initiatives of a business for managing operations in such a way that they reduce the environmental impacts derived from their production process (Lozano, 2015). To encourage this dimension, it is fundamental for corporations to work with green marketing strategies; this way it is guaranteed that their prices, products and processes will contribute to generate natural capital (Popescu & Popescu, 2019).

### **2.3 Stakeholder management**

Organisations that identify stakeholders that could be impacted by the project, understand their needs and put in place measures to meet these needs can easily manage them (PMI, 2013). Management of stakeholder involves activities that may change the stakeholders' salience level or position of stakeholders towards the projects (Aaltonen et al., 2015). The continuous and systematic process through which a firm establishes positive and constructive relationships with its stakeholders to integrate their expectations into business strategy and activity can also determine the level of stakeholder management (Pedrini & Ferri, 2019). Managing stakeholders encompass different techniques, such as informing and involving a stakeholder by consulting, interdependence, collaborating and proactive influencing (Nguyen et al., 2018). It has been said

to have collaboration, interdependence and consultation as the three levels of stakeholder management that should be given priority for implementation of projects (Luyet et al., 2012).

Collaboration entails the constructive management of differences to find a proper solution by selecting the promising alternatives proposed, testing and prototyping, conducting respective risk assessments, mobilizing resources, and undertaking a joint commitment to reach the goal (Torfing, 2019). Collaboration is defined as a temporary social arrangement in which two or more social actors work together towards a singular common end requiring the transmutation of materials, ideas, and/or social relations to achieve that end (Torfing, 2019). In the process of collaboration, the project team members can engage with one another through mutual trust, positive competition, commitment, shared risks and rewards, problem solving, and the overall enhancement of collaborative capabilities (Camarinha-Matos et al., 2017), which can lead to effective project implementation. The collaboration dimension involves collaboration with definitive stakeholders is necessary (De Schepper et al., 2014); and a manager should work with a stakeholder to eliminate potential disadvantages and obtain support for the project (Pacagnella Júnior et al., 2015).

Stakeholder interdependence a behaviour of positive and negative impacts (or consequences) among individuals generated by interactions beginning with a focal firm, develops mutual engagement and responsibility” (Khan et al., 2022). Dependency is explained as a relationship between two actors: one of them depends on another for the accomplishment of some internal intention (Heslina & Syahrini, 2021; Luyet et al., 2012). Dependency may be established at the level of actors (an actor depends on another) or at the level of intentional elements (an intentional element of any kind depends on another intentional element); moreover, mixed combinations are possible. The interdependence delegates decision-making regarding project development and

execution to a stakeholder (Luyet et al., 2012). Consultation is a form of collaboration where individuals and stakeholder groups work together in a joint effort to reach a consensus on a particular issue (Chyhryn et al., 2020). Stakeholders can be consulted via open houses, newsletters, information kiosks, and websites (De Schepper et al., 2014). Consultation presents the project to stakeholders, collects their suggestions and may incorporate stakeholder input into decision-making (Nguyen & Mohamed, 2021).

## **2.4 Ethical leadership**

Ethical leadership involves acting according to ethical principles in leadership work and decision-making, that is, doing the right thing in all situations and situations (Zhao & Xia, 2019). According to Pasricha et al. (2018) ethical leadership comprises of adhering to moral principles at work, taking into account differences in viewpoints, and working to settle disputes in the workplace in a fair manner for all parties.

In other words, it is the process of making decisions, reinforcing good behavior, and talking to followers about how they should act. In other words, it is the process of using decision-making, reinforcement, and communication to get people to work in ways that are seen as socially acceptable (Zaim et al., 2021). It can also be thought of as getting followers to act in this way by letting them make decisions and giving them positive feedback. This is one way to explain what the phrase means (Indra & Kustati, 2019). When people talk about "ethical leadership," they refer to the sort of leadership that develops organically due to a person just having high ethical standards (Yulianti et al., 2021). Ethical leadership, according to Dust et al. (2018) is the making of collaborative personal decisions through the formation of a belief in shared understanding, the possibility of success, complete satisfaction with personal motives, and the integrity of the

common goal. Hence, the organization's vision, mission, and values are an essential part of leadership (Wahyuningsih et al., 2019).

Basing on the study of Suddahazai, (2023) ethical leadership involves leaders' moral beliefs, values, visions reflected in their conduct, especially their decision making, clear performance standards and relative rewards or punishment that help reinforce ethics in the organization, general two-way communication characterized by trust, openness, and sincerity about ethical standards, people orientation and loving behavior in the organization, including respect for the followers' human nature, dignity and all kinds of support for their development. The psycho-emotive and moral/ethical dimensions of leadership model focused on character and empowerment behavior dimensions of ethical leadership (Hawass, 2016). Therefore, this study considered Fairness, people orientation, power sharing and moral behavior as the dimensions of ethical leadership among line ministries in Uganda basing on the literature suggested by (Zaim et al., 2021; Fawares, & Almheidat, 2022; Hawass, 2016; Kalshoven et al., 2011; Metwally et al., 2019).

Ethical leaders are expected to be fair in their decisions, which entails being transparent, taking principled, balanced decisions (Steinmann et al., 2016), being honest, acting responsibly, and treating employees equally (Karim & Nadeem, 2019). They are also people-oriented, by showing concern and care for people, and taking an interest in their welfare (Metwally et al., 2019). Ethical leaders are also expected to share power (Karim & Nadeem, 2019), which refers to allowing employees to participate in decision making, and listening to their ideas and opinions (Zaim et al., 2021). Ethical leaders also share power through role clarification, by making performance goals, expectations, and responsibilities clear (Metwally et al., 2019). Ethical leaders should also have moral behaviour which is defined it as a self-schema, self-regularity

mechanism based on personal moral traits embedded in the leader's self-concept and behavior (Magalhães et al., 2019). In particular, ethical leaders will do their best to make followers adopt ethical norms (Ng & Feldman, 2015).

## **2.5 Stakeholder management and corporate sustainability**

Corporate sustainability (CS) is related to stakeholder management concept with great attraction by public interest entities (PIEs) (Velte, 2020). As the term "CS" is heterogeneously used, we refer to the triple bottom line concept and the business case model, indicating that economic, environmental and social aspects should be integrated equally in stakeholder management (Budsaratragoon & Jitmaneroj, 2021). Successful CS management focuses on stakeholder demands and should lead to CSR reporting and finally also to increased (non) financial performance (Velte, 2020). However, CS reporting is linked with major challenges. Information overload and green washing behavior lower the validity of CS activities in practice, so that stakeholder trust can also decrease. With regard to voluntary CSR reporting in most legal systems, top management has extensive freedom of discretion and flexibility how stakeholder communication will be conducted. Thus, CS reports can be used for self-impression management with a limited informational value (Janggu et al., 2014).

A company's management will use its managerial capture to balance its stakeholders' positions and then decide to what extent it will meet their expectations and requirements (Manning, Braam & Reimsbach, 2019). However, the exposure to and the perception of the amount of pressure from stakeholder groups may affect managers' responsiveness to stakeholders' requests (Johnson, Redlbacher & Schaltegger, 2018). In particular, when powerful stakeholders actively try to interfere with the actions of a company, their pressures can affect CS, and their engagement may influence the choices of a company's management whether or not to report on specific issues and

whether or not to comply with reporting standards (Fordham & Robinson, 2018). High levels of engagement of key stakeholders with legitimate interests, for instance, may influence the management to disclose sustainability-related “bad news” in addition to “good news,” leading to sustainability reports of higher quality (Wolf, 2014).

Inclusivity of such stakeholders may drive sustainable value creation and affect a company management's decisions to disclose material sustainability information and to prepare the sustainability report in accordance with SRC and guidelines (Moratis & Brandt, 2017). Thus, processes in which stakeholders actively pressure a firm to operate more sustainable, and which influence management's choices concerning corporate sustainability reporting may reduce the information asymmetry between the company and its stakeholders but also positively influence the companies' competitive position (Dal Maso et al., 2017). For these reasons, it is expected that high levels of stakeholder management positively affect CS (Manning, Braam & Reimsbach, 2019).

In their study Menoka et al. (2013) noted that managing stakeholder interests helps the stakeholders to work together to decrease negative environmental impacts and increasing the economic sustainability of the project. Managing interests of multiple stakeholders is necessary because they play important roles such as advocates, sponsors, partners and agents of change (Mwesigwa, Bagire, Ntayi & Munene, 2019). Cooperative societies are organizations based on the values, principles, and foundations of CS (Campillo-Alhama & Igual-Antón, 2021). They incorporate the collective interests of the local community into their corporate policies and respond to the problems, needs, and expectations of their stakeholders. Multiple authors, such as (Campillo-Alhama & Igual-Antón, 2021; Igual-Antón, 2021) identify a similarity between corporativism and CS when they allude to the identity of such legal organizations. According to

Carroll (1991), these authors point out that the main attributes of cooperatives are their economic, social, and environmental balance, their compliance with national and international legislation, their business ethics, their fulfillment of stakeholder needs in a balanced way, and transparency (Campillo-Alhama & Igual-Antón, 2021).

The engagement of cooperative organizations in ethical, social, economic, and environmental issues derives from the relevance given, in the current context, to sustainable development as the central axis of the cooperative model, represented in stage 5 of Zadek's Value Curve (Aksak, Ferguson & Duman, 2016; Visser & Courtice, 2011). This stage responds to the new social and environmental expectations of a globalized society, which is much more informed and involved in the consequences generated by social organizations in their context of proximity. As mentioned, the 17 SDGs set by the United Nations Division for Sustainable Development Goals (2021) and their corresponding targets condition the strategic management of CS in a completely global social, political, and economic context (CSR Strategy of Spanish Companies, 2021). Two of the 17 SDGs are particularly relevant for the good governance of sustainable development in the electric cooperative sector: SDG 7, which refers to the need to ensure access to affordable, reliable, sustainable, and modern energy for all; and SDG 13, which calls on the international community to take urgent action to combat climate change and its effects.

The social perception of the cooperatives' commitment to the SDGs and their targets depends on the CSR actions they carry out and the knowledge they generate about their corporate strategy for the benefit of their stakeholders and society in general (Campillo-Alhama & Igual-Antón, 2021). It is also essential for cooperatives to design and implement integrated communication management models with stakeholders, establishing a system of permanent dialogue that enables

more positive engagement, a higher level of trust, and, in turn, greater competitive advantage based on market positioning (Rodríguez-Fernández, Gaspar-González, & Sánchez-Teba, 2020).

Although, most of the previous studies like Campillo-Alhama & Igual-Antón (2021); Igual-Antón (2021); Rodríguez-Fernández et al. (2020) identified a similarity between stakeholder management and CS. These studies have not been conducted in the Ugandan context therefore, this study examines the influence of stakeholder management on corporate sustainability among line ministries in Uganda.

## **2.6 Ethical leadership and corporate sustainability**

The concepts of ethical leadership (EL) and corporate sustainability (CS) are acquiring a crucial role for the competitiveness of firms operating in both manufacturing and service industries (Khan, Ali, Olya, Zulqarnain, & Khan, 2018; Roeck & Farooq, 2018). The globalization of business is one responsible force regularly increasing the social pressures on organizations to enhance the social impact of corporate responsibility, ethical behavior, and EL (Mishra & Schmidt, 2018). Recent studies have found that employees' perception is positively influenced by the organization's ethical climate and CS initiative, which in turn foster organizational performance (Su & Swanson, 2019). Khan et al. (2018) reported significant effects of transformational leadership and CS on firm's performance. This shows that EL has emerged as more than necessity for the organizations to distinguish their firms from competitors in term of both CS and performance aspects (Luque & Herrero-Garcia, 2019). Luu, Le, Masli, and Rajendran (2019) highlighted the importance of ambidextrous leadership to attenuate the significant effect of CS on firm's performance.

EL and CS are two important factors that can lead firms to seek competitive edge and build clean brand image (Schinzel, 2018). The relationship between the ethical leadership of chief executive



officer and CS has been widely studied in the body of literature (Wu et al., 2015). In addition, the majority of available studies on CS to date have emphasized its importance for FP rather than social performance (Kim et al., 2015). This means that firms invest in CS to improve their profitability rather than social and environmental goals. Besides, the terms corporate responsibility and corporate sustainability have been frequently used interchangeably (Cornett, Erhemjamts, & Tehranian, 2016).

In their study Saha, Cerchione, Singh & Dahiya (2020) on the effect of ethical leadership and corporate social responsibility on firm performance, highlights ethical leadership as one of the financial factors as one of the main barriers affecting the adoption of CS practices. The results highlight that personal values have impact on ethical leadership that in turn has direct positive impact on CSR and direct and indirect impact on firm performance. In their study Wu et al. (2015) examined the relationship between CEO ethical leadership and corporate social responsibility by focusing on the mediating role of organizational ethical culture and the moderating role of managerial discretion (i.e., CEO founder status and firm size). Based on a sample of 242 domestic Chinese firms, we found that CEO ethical leadership positively influences corporate social responsibility via organizational ethical culture. In addition, moderated path analysis indicated that CEO founder status strengthens while firm size weakens the direct effect of CEO ethical leadership on organizational ethical culture and its indirect effect on corporate social responsibility.

In his study Chukwujiokwe (2018). examined the effect of ethical leadership on corporate governance, corporate performance and corporate social responsibility in selected Nigerian deposit money banks. The results revealed that ethical leadership has significant positive effects on corporate governance, corporate performance and corporate social responsibility. formulation

of corporate governance principles. A natured/nurtured ethical leader should be employed to mainstream corporate governance, corporate performance and corporate social responsibility through the organizational culture.

An extensive body of literature argues that managerial values and attitudes toward CS in a given institutional context are likely to have a strong influence on the outcomes of CS initiatives (Kim & Thapa, 2018; Roeck & Farooq, 2018). EL style fosters socially oriented changes and initiatives that are the drivers of CS programs. De Hoogh and Hartog (2008) argued that highly engaged leader in social responsibility generally have high level of EL. Brown and Treviño (2006) emphasized that ethical leader care more about their employees, firm, and society rather than own self-interest. On the other hand, unethical leaders give priority to their own interests and commonly ignore the need of CS (Aslan & Sendogdu, 2012).

Jones-Christensen, Mackey, and Whetten (2014) stressed that ethical leader try to balance the variety of needs of stakeholders in the manner that meets the interests of all and thus often appear as CS champion. Besides, a leader attention to regularly communication ethics and social aspects of the organization can establish understating and reverent societal responsibilities about the CSR practices that can motivate employees to initiate them (Kim & Thapa, 2018). Recently, Roeck and Farooq (2018) also found the association between EL and CS and claimed that EL promotes socially responsible behavior among employees. Besides, EL makes efforts to find out the ethical solutions of controversies consisting of societal welfare, employees' happiness, consumer's satisfaction, organizational culture, and their own values (Saha et al., 2020). Butt et al. (2016) conducted an empirical study and demonstrated that EL affects the CS which in turn positively impact the organizational outcomes.

Generally, EL has the role to anticipate and meet the moral needs of the firm. Therefore, firms are expected to have an internal obligation along with moral standards and their engagement in honorable actions in order to benefit the society (Eisenbeiss, Van Knippenberg, & Fahrbach, 2015). Brown et al (2005) conclude that EL takes care of everybody who is directly or indirectly influenced by firm's operations. Nevertheless, financial crisis, downturn in the economy, and repeated scandals in government and firms have led academicians and policy makers to analyze more in-depth how leaders can enrich CSR engagement, employee loyalty, performance, and commitment (Choi, Ullah, & Kwak, 2015).

Although, most of the previous studies like Khan et al. (2018); Chukwujiokwe (2018); Kim & Thapa (2018); Saha et al. (2020) and Butt et al. (2016) looked at the relationship between ethical leadership and CS. These studies have not been conducted in the Ugandan context and not in public institutions. Therefore, this study closed this gap by examining the influence of ethical leadership on corporate sustainability among line ministries in Uganda.

## **2.7 The combined power of stakeholder management and ethical leadership on corporate sustainability**

Pressure emanating from stakeholder groups such as nations and civil societies has directed several organisations to change their policies towards achieving corporate sustainability (Ansu-Mensah et al., 2021). Equally, the global economic crises that have been witnessed in the twenty-first century have resulted in ethical leadership in the public and private during governance of the institutions (Saha et al., 2020). It is no wonder that corporate sustainability and stakeholder management are continuously picking up significance in the globalized business world (Hasan, Kobeissi, Liu, & Wang, 2018). In line with this, many organisations have altered their policies

and operations and integrated the idea of CS as a way of protecting their hard-earned reputation (Hasan et al., 2018).

Lewa (202), has suggested that society tends to reward organisations that are considered to be socially responsible in different ways. Thus, in order to enhance corporate image, organisations have been progressively urged to embrace policies beyond the economic elements of their company and to consider CS in their activities (Park, Chidlow, & Choi, 2014). Therefore, organizations are creating a highly regarded CS issues so that they can achieve stakeholder trust (Nichols & Dowden, 2019). While opinions differ on how engagement should be allocated across the public and private sectors, corporate stakeholders are demanding that organisations recognize a broader scope of responsibility in addressing those problems which in turn hinders their reputation (Nave & Ferreira, 2019). As a result, organisations are increasingly collaborating with stakeholders to come to terms with their views and concerns regarding different environmental, social, corporate governance and economic concerns which are often alluded to as issues of CS and to incorporate and address those views and concerns in the company's strategic decision-making processes (Iglesias et al., 2020).

Osei-Kojo and Andrews (2020), discovered that the commitment seems too managed and lacks genuineness; and that process of stakeholder management required to enhance informed and balanced involvement of stakeholders and continuous development of CS initiatives. Conversely, Abugre and Anlesinya (2020) analyzed CS and the small company stakeholders employing a quantitative research methodology. This research showed that the local people are very significant stakeholders of small companies and that their contribution to the community is usually relatively comprehensive. Further research done by (Khan, Muttakin, & Siddiqui, 2013)

found that there are no statistically relevant variations in levels of involvement between staff subjected to external and internal CS strategies.

In addition to stakeholder management, scholars have noted that ethical leadership play a critical role in creating employees' perceptions, attitudes, and behaviors in an organization (Saleem et al., 2020). Ethical leadership often plays out through corporate actions that are viewed as socially responsible (Tourigny et al., 2019). Aguinis and Glavas (2012) suggest that a sense of duty and justice among the leaders, indicators of ethical leadership, results in CSR behaviors which in turn strengthen employee organization linkages thus entrenching value alignment. The study of Saha et al (2020) highlighted that personal values have impact on ethical leadership that in turn has direct positive impact on CSR and direct and indirect impact on firm performance. Luu, Le, Masli, and Rajendran (2019) added that the importance of ethical leadership to attenuate the significant effect of CS on firm's performance. Nevertheless, in the academic literature, leaders' attitudes and cultural variance were found two dominant barriers in CS (Mishra & Schmidt, 2018).

Highlighting the importance of ethical leadership and CS, Schinzel (2018) claimed positive association between both and reported the urgent need for managers to learn responsible leadership and CS. Although the EL and CS have attained good heed, nevertheless, the institutions that are working on EL and CS are limited throughout the globe and particularly in emerging economies (Kim, Kim, & Qian, 2015; Youn, Hua, & Lee, 2015). Anderson, Enron, Lehman Brothers, and Siemens are some of the corporate examples that significantly failed for both EL and CS reasons. Hence, corporate scandals that happened in recent years have raised public awareness of EL and CS issues (Wu, Kwan, Yim, Chiu, & He, 2015). Thus, the study

conclude that stakeholder management combined ethical leadership effect on corporate sustainability on corporate sustainability among line ministries in Uganda.

## **2.8 Summary of literature review**

Despite the results reported in the studies, empirical evidence of the relationship between stakeholder management, ethical leadership and corporate sustainability remains scanty and limited and points to contradictory conclusions. Also, the case of ministries in Uganda has not been extensively analyzed. The study therefore considers the empirical analysis that examines the relationship between stakeholder management, ethical leadership and corporate sustainability among Line Ministries in Uganda to be of great interest.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The study used a cross sectional and quantitative designs. A cross-sectional research design was suitable for such a study because data was collected at a given point in time, rather than from a given period of time (Bananuka et al., 2018). Quantitative approach was used to allow the researcher to solicit information that is quantifiable as observed by Mugenda and Mugenda (2013). Quantitative approach also allowed the researcher to investigate the relationship between stakeholder management, ethical leadership and corporate sustainability among Line Ministries in Uganda.

#### **3.2 Population of the Study**

The population of this study constituted 33 Line Ministries in Uganda (*see appendix 2*). This comprised of Cabinet Members as of May 3, 2023 (Parliament of Uganda, 2023). From this population, a sample of 28 Line ministries were selected (Krejcie & Morgan, 1970). 10 respondents were targeted from each Ministry aiming at a total of 280 respondents. The response was got from 240 as the four (4) ministries didn't not respond, giving a response rate of 85.7%. Line ministries in Kampala were selected because they have big number of employees who live and reside in that geographical jurisdiction; but were still faced with corporate sustainability issues.

#### **3.3 Sample Size and sampling Procedure**

The sample size consisted of 28 Line ministries from which 10 respondents were selected per line ministry and 24-line ministries responded giving a total of 240 respondents.

To select respondents on each ministry, simple random sampling was used, and was done by allocating numbers for each respondent, which numbers were picked at random. This method of sampling was used because it gives equal chance to each respondent in the sampling frame to be chosen.

### **3.4 Unit of analysis and unit of inquiry**

The unit of analysis comprised of 28 Line ministries of Uganda. The unit of inquiry comprised of 10 respondents who are staffs in the ministry. From each selected Ministry, 10 officers were sampled which added up to a total of 240 out of the 280 target respondents. The four ministries that did not respond account for the 40 nonrespondents. These officers comprised of Permanent Secretaries, Chief Financial Officers, Marketing Managers, Public Relations Managers, CSR Managers, Accounting Officers, Chief Officer of CSR, Heads of Corporate Affairs, Supervisors and Junior Officers. These respondents were chosen because they were presumed to be having reliable information about corporate sustainability at the ministry. The inclusion and exclusion criteria were that where a person was picked and found not to have participated in the selected Ministry, he/she was discarded and replaced with the next convenient person.

### **3.5 Data sources**

The research adopted both primary and secondary sources of data. Primary data was obtained using self-administered questionnaires while secondary data was collected from previous studies on stakeholder management, ethical leadership and corporate sustainability documents from government like reports, minute extracts of parliament seatings, and strategic plan, internet searched material and other published literature was relied on.



### **3.6 Data collection instruments**

Data was collected from the respondents using a self-administered questionnaire. This instrument used only close ended questions since the study is purely quantitative. These were rated using a 6-point Likert Scale of strongly agree (6), agree (5), somewhat agree (4), somewhat disagree (3), disagree (2) strongly disagree (1). This Likert scale was used because it commits respondents to indicate the extent to which respondents agree or disagree without biasness in responses (McLeod, 2019). The questionnaire was divided into sections to address specifically all the variables.

### **3.7 Measurement of variables**

The independent variables were stakeholder management and ethical leadership while the independent variable was corporate sustainability among Line Ministries in Uganda.

**Stakeholder Management** was measured in terms of collaboration, interdependence and consultation basing on the tools developed by (Mwesigwa et al., 2018; Mwesigwa et al., 2019; Ibrahim & Mayende, 2018). These indicators were considered because, collaboration, interdependence and consultation as the three levels of stakeholder management give corporations a priority for implementing their projects (Luyet et al., 2012).

**Ethical Leadership** was measured in terms of Fairness, people orientation, power sharing and moral behavior basing on the tools developed by (Brown et al., 2005; Zaim et al., 2021; Fawares, & Almheidat, 2022; Hawass, 2016; Kalshoven et al., 2011). These indicators were considered because they are psycho-emotive and moral/ethical dimensions of leadership model focused on character and empowerment behavior dimensions of ethical leadership (Hawass, 2016).

**Corporate Sustainability** was measured in terms of social, economic and environmental basing on the tools developed by (Simões & Sebastiani, 2017; Lee & Saen, 2012; Chow & Chen, 2012;

Lloor Alcívar et al., 2020). These indicators were considered because in order to be considered sustainable, corporations need to integrate social, environmental, and economic conditions on a regional and/or global scale into their business model through adopting new governance strategies and performances that involve stakeholders conscientiously and contribute to the continuous improvement of (Székely & Vom Brocke 2017).

These measures were adopted from the literature. The above measures were adopted for this study with modifications to suit the Ugandan environment. The measures were operationalized using a questionnaire designed on a 6-point Likert scale.

### **3.8 Reliability and validity**

#### **3.8.1 Reliability analysis**

The Cronbach Alpha coefficient was used to test for the reliability of the questionnaire. If the Cronbach’s coefficient is above 0.70, according to Nunnally (1978), the instrument is reliable. The Cronbach alpha coefficients for the study variables were tested and were all found reliable since they were all above 0.7. Stakeholder engagement was given by 0.91, ethical leadership was given by 0.973 and corporate sustainability was given by 0.962 as shown Table 3.1.

**Table 3.1: Reliability Analysis**

<b>Variable</b>	<b>Number of items</b>	<b>Cronbach alpha</b>
Stakeholder Management	30	0.910
Ethical Leadership	40	0.973
Corporate Sustainability	30	0.962

*Source: primary data*

Results in the table 3.1 showed that all variables under the study had reliable items since the Cronbach’s alpha for variables were above the 0.70 threshold (Nunnally & Nunnally, 1978).

#### **3.8.2 Validity**

The Content Validity Index was used to examine relevance and clarity of the questions. The research instrument was given to five knowledgeable persons that is to say, my two supervisors,

two Ministry officials and any other knowledgeable person. Content Validity Index was thus computed. To establish validity, the designed instrument was availed to the supervisor for review and he would later give an approval for administration in a pilot survey in Kampala. The questionnaire was given to five experts to evaluate the relevance of each item in the instrument to the objectives and rate each item on the scale of 1 to 6 where 1 represented strongly disagree, 2 for disagree, 3 for somewhat disagree, 4 for somewhat agree, 5 agree and 6 for strongly agree. The Content Validity Index (CVI) was used to test the relevance and clarity of the questions. The Content Validity Index (CVI) results were presented in Table 3.2.

**Table 3.2: Content Validity Index**

<b>Global variable</b>	<b>Number of items</b>	<b>Content Validity Index</b>
Stakeholder Management	30	0.833
Ethical Leadership	40	0.909
Corporate Sustainability	30	0.810

*Source: primary data*

### **3.9 Data processing and analysis**

Data collected was compiled, sorted, edited, classified and coded into a coding sheet and analyzed using statistical package for social sciences (SPSS) version 23 to examine the relationship between stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda. This provided descriptive statistics, correlation and regression outputs. Pearson's Correlation coefficient was used to establish the strength of relationship between the study variables under study. Multiple linear regression analysis was also be conducted to determine the variance in the dependent variable that is explained by the independent variables.

### **3.10 Ethical considerations**

The researcher got a letter of introduction clearly containing the purpose of the study from Makerere University Business School to request for permission and make the Line Ministries in Uganda aware officially that there is data collection exercise going on among their staff.

The researcher sought consent from the Line Ministries in Uganda and also from the respondents after clearly showing them a letter seeking permission from the Makerere University Business School.

As a researcher, confidentiality of the respondents was ensured whereby the respondents were informed upfront that the information they give will be solely used for academic purposes and data obtained on private matters will be treated with confidence and indeed this was done

The respondents were informed by the researcher that a high degree of confidentiality concerning the information provided will be maintained so as to avoid fear and anxiety that the information given could compromise their positions at work since the information given will be treated with utmost care and consideration and all other ethical procedures were observed by the researcher. The researcher also informed the respondent that they are free to or not to participate in the study.

## CHAPTER FOUR

### PRESENTATION AND INTERPRETATION OF RESULTS

#### 4.0 Introduction

This chapter presents the study results and interpretation. Specifically, this chapter displays the demographic characteristics, descriptive statistics of the study variables, correlation analysis results and the regression analysis results. The analyses are guided by study objectives which are; to examine the relationship between stakeholder management and corporate sustainability among line ministries in Uganda, to examine the relationship between ethical leadership and corporate sustainability among line ministries in Uganda and to examine the combined power of stakeholder management and ethical leadership on corporate sustainability among line ministries in Uganda.

#### 4.1 Response Rate

Out of 280 questionnaires distributed among 28-line ministries in Uganda, 240 questionnaires were returned from 24-line ministries in Uganda and giving rise to a response rate of 85.7% which is suitable to draw valid and reliable conclusions. The researcher considered large sample size (280) because the larger the sample size, the more accurate and adequate are study results generated for decision making (Heslina & Syahrini, 2021). According to Mugenda and Mugenda (2003), a 50% response rate is adequate, 60% good and above 70% rated very well. This also concurs with Kothari (2004) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on these assertions; the response rate in this case of 80% was very good because it was higher 70% as determined by Kothari (2004).

**Table 4.1: Response Rate**

<b>Targeted respondents</b>	<b>Attained respondents</b>	<b>Response rate</b>
300	240	80%

*Source: Primary data*

## 4.2 Demographic Characteristics of respondents

This section presents information about the demographic characteristics of the respondents that took part in the study. The demographic characteristics analysed include; gender of the respondents, age group, level of education, marital status, years in the Ministry, relation with the Ministry and employment category.

**Table 4.2: Gender of the Respondents**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Male	164	68.3	68.3	68.3
	Female	76	31.7	31.7	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

The above results in table 4.2 showed that the majority of the respondents were male respondents constituting 68.3% in the sample as compared to their female counterparts who were 31.7% of the entire sample. This indicates that both female and male participate in line ministries in Uganda but most of the corporate sustainability activities in the ministries are run by men. Thus, corporate sustainability activities at the Ministry are mostly run by men.

**Table 4.3: Age of the Respondents**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	20-29Years	39	16.3	16.3	16.3
	30-39 Years	113	47.1	47.1	63.3
	40-49 Years	82	34.2	34.2	97.5
	50 years and above	6	2.5	2.5	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

Results in table 4.3 indicated that the majority of the respondents were between 30– 39years of age (47.1%), followed by those between 40-49years of age (34.2%), the those between 20-29 years were (16.3%) and those of 50 years and above were (2.5%). This shows that majority of people who participate in corporate sustainability activities in the ministries are in the active age bracket. This age distribution also reveals that the most of line ministries in Uganda were being

run and managed by persons in the active age without enough experience and skills which justifies the challenges in implementing corporate sustainability activities

**Table 4.4: Highest Education level Attained**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	36	15.0	15.0	15.0
	Bachelor's Degree	128	53.3	53.3	68.3
	Masters	70	29.2	29.2	97.5
	PHD	6	2.5	2.5	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

Results in table 4.4 showed that, observed that, the majority of the respondents had attained degrees as their highest level of education (53.3%), followed by those with masters (29.28%), then those with diplomas comprised of (15%) of the sample and lastly those with PHDs comprised (2.5%) of the sample respectively. This would imply that employees who participate in the corporate sustainability activities of line ministries in Uganda are literate, thus would give reliable data.

**Table 4.5: Marital Status of the Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	48	20.0	20.0	20.0
	Married	174	72.5	72.5	92.5
	Divorced	12	5.0	5.0	97.5
	Widowed	6	2.5	2.5	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

Results in table 4.5 indicates that, majority of the respondents 72.5% were married, 20% were single, 5% were widowed and the minority 2.5 % were divorced. This implies that most line ministries in Uganda employee both married and singles during the implementation of corporate sustainability goals but mostly married people because they presumed to be more responsible than singles.

**Table 4.6: Years of with the Ministry**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Less than 3years	24	10.0	10.0	10.0
	3-6 years	66	27.5	27.5	37.5
	7-10 years	81	33.8	33.8	71.3
	More than 10 years	69	28.7	28.7	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

Regarding the years of service with the Ministry, results in the table above indicated that 33.8% of the employees have been in service for 7-10years, 28.7% have been in service for more than 10 years, 27.5% have been in service for 3-6 years, while 10% have been in service for less than 3 years. The findings imply that majority of the respondents had spent enough years in service with line ministries in Uganda, thus they were in better position to provide information about stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda.

**Table 4.7: Relation to the Ministry**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Officer	119	49.6	49.6	49.6
	Low level management	76	31.7	31.7	81.3
	Middle level management	28	11.7	11.7	92.9
	Top level management	17	7.1	7.1	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

The above results showed that the majority of the respondents were officers (49.6%), followed by low level managers (31.7%), then middle level manager (11.7%) while 7.1% were top level managers. This implies that Ministry involves all groups of staff in the activities in a bid to ensure corporate sustainability activities.



**Table 4.8: Employment category**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Project based staff	12	5.0	5.0	5.0
	Contract staff	30	12.5	12.5	17.5
	Permanent staff	198	82.5	82.5	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

Regarding the employment category of the respondent, the study in the table above indicated that 82.5% of the employees are permanent staff of the ministries, 12.5 % are contract staff, while 5% are project-based staff. The findings imply that majority of the respondents are permanent staff of ministries in Uganda, thus they are in position to provide relevant information on how stakeholder management and ethical leadership can influence corporate sustainability among line ministries in Uganda.

### **4.3 Details of the line ministries in Uganda**

This section presents information about the line ministries in Uganda. The background information about the line ministries in Uganda analysed include the number of years in operation and number of employees as shown in the table below.

**Table 4.9: Years of operation**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	1-5years	27	11.3	11.3	11.3
	6-10years	33	13.8	13.8	25.0
	11-15years	56	23.3	23.3	48.3
	20 years and above	124	51.7	51.7	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

Results in table 4.9 showed that majority (51.7%) of the line ministries in Uganda studied have been in existence for 20 years and above, followed by 23.3% which have been in existence for 11-15years, then 13.8% which have been operating for 6- 10years and lastly 11.3 % which have

been operating for 1-5 years, meaning that the majority of the line ministries in Uganda have stood the test of time thus the information provided can be relied on.

**Table 4.10: Number of employees**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	1- 50 employees	12	5.0	5.0	5.0
	50-100 employees	93	38.8	38.8	43.8
	Above 100 employees	135	56.3	56.3	100.0
	Total	240	100.0	100.0	

*Source: Primary data*

Further, table 4.10 indicated that most of the line ministries in Uganda employ above 100 employees constituting 56.3% of the sample, then those with 50-100 employees constituted 38.8 % and those which have 1-50 employees constituted 5%. Meaning that most line ministries in Uganda have enough employees to execute the corporate sustainability activities.

#### **4.4 Correlation Results**

The correlation results are presented in Table 4.11. Pearson’s correlation coefficient analysis was conducted to establish the relationships between predictor variables (stakeholder management and ethical leadership) and the outcome variable (corporate sustainability among line ministries in Uganda). Bivariate-correlation analyses were performed and Pearson correlation coefficients were generated to measure the direction and size of the relationship between the study variables (Field 2009).

**Table 4.11: Correlations**

	1	2	3
Stakeholder management (1)	1		
Ethical Leadership (2)	.797**	1	
Corporate Sustainability (3)	.800**	.875**	1

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

*Source: primary data.*

#### **4.4.1 The relationship between stakeholder management and corporate sustainability.**

The results in Table 4.11 indicate that there is a positive significant relationship between stakeholder management and corporate sustainability among line ministries in Uganda ( $r = .800^{**}$ ,  $p = .01$ ). This means that a positive improvement in stakeholder management and translates into a positive improvement in corporate sustainability among line ministries in Uganda by 80%. Thus, hypothesis one of the study was tested and confirmed.

#### **4.4.2 The relationship between ethical leadership and corporate sustainability.**

The results in Table 4.11 indicate that there is a positive significant relationship between ethical leadership and corporate sustainability among line ministries in Uganda ( $r=.875^{**}$ ,  $p<.01$ ). This means that a positive increase in ethical leadership translates into a positive improvement in corporate sustainability among line ministries in Uganda by 87.5%. Thus, hypothesis two of the study was tested and approved.

#### **4.5 Regression Results**

Regression is the predictive potential of the independent variables on the dependent variable. The regression model was used to determine the extent to which stakeholder management and ethical leadership predict corporate sustainability among line ministries in Uganda. The results are presented in the Table 4.12. *Adjusted R<sup>2</sup>* gives the idea of how well the regression model generalizes the study variables and ideally every researcher would like its value to be the same or very close to the value of R<sup>2</sup>. Table 4.12 below shows the results from regression analysis.

**Table 4.12: Shows the regression results of the study variables**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.024	.090		.267	.790		
Stakeholder Management	.346	.060	.280	5.750	.000	.364	2.745
Ethical leadership	.672	.050	.652	13.367	.000	.364	2.745

*R*=.891<sup>a</sup>, *R*<sup>2</sup>=.795, *Adjusted R*<sup>2</sup>=.793, *F*=458.886, *Sig*=.000, *e*=0.35894, *Durbin Watson*=1.765

a. Dependent Variable: corporate sustainability

**Source: Primary Data**

The results in Table 4.12 show that stakeholder management and ethical leadership predict 79.3% of the variance in corporate sustainability among line ministries in Uganda (Adjusted R Square =.79.3). This means that, there are other factors which explain the remaining 20.7% of the variance in corporate sustainability among line ministries in Uganda. It was also noted that ethical leadership (Beta = .652, sig. <.000) is a better predictor of corporate sustainability among line ministries in Uganda than stakeholder management (Beta = .280, sig. <.000). This implies that management of line ministries in Uganda should emphasize ethical leadership through improving fairness, people orientation, power sharing and moral behavior while conducting their activities in order to achieve high levels of corporate sustainability among line ministries in Uganda. The regression model in this case was statistically significant (sig. <.000).

Multicollinearity was tested for to ascertain whether there is a strong correlation between two or more predictors in a regression model (Field, 2009). Multicollinearity poses a problem only for multiple regression because simple regression requires only one predictor. Field (2009) recommended that tolerance values below 0.1 indicate a serious multicollinearity problem and tolerance values below 0.2 indicate a potential problem otherwise, tolerance values of above 0.2 are better. Variance Inflation Factor (VIF) is another measure of multicollinearity and it indicates whether a predictor has a strong linear relationship with other predictor(s). Myers (1990)

suggests that a value of 10 is a good value at which to worry. For this study, the VIF values are all below 10 and the tolerance statistics are above 0.2. Therefore, there were no multi-collinearity problems in our data. The researcher further ran the Durbin–Watson test which tests for serial correlations between errors (Field, 2009). Specifically, it tests whether adjacent residuals are correlated. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated. A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. The size of the Durbin–Watson statistic depends upon the number of predictors in the model and the number of observations. For this study the Durbin-Watson statistic was close to 2 (1.765) and this indicates that there is no multi-collinearity since correlation between independent errors is minimal (Field, 2009).

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter covers the detailed discussion of the findings guided by the objectives of the study, the chapter also covers the conclusions, recommendations, limitations and suggested areas for further research. These are presented below.

#### **5.1 Discussion of Findings**

This study aimed at examining the relationship between the relationship between stakeholder management and corporate sustainability among line ministries in Uganda, relationship between ethical leadership and corporate sustainability among line ministries in Uganda and the combined power of stakeholder management and ethical leadership on corporate sustainability among line ministries in Uganda as discussed below;

##### **5.1.1 Relationship between stakeholder management and corporate sustainability**

The findings indicate there was a positive significant relationship between stakeholder management and corporate sustainability among line ministries in Uganda. Correlation results further indicate that collaboration, interdependence and consultation have a positive and significant association with corporate sustainability among line ministries in Uganda. Thus, for line ministries in Uganda to improve corporate sustainability it's important to enhance their level of stakeholder management through considering high level of collaboration, interdependence and consultation while running their activities. It is evident that in this study that most respondents were in disagreement that line ministries in Uganda consults stakeholders before making decisions, share Information on the status of the Ministry to all stakeholders, always consider Stakeholders' opinions, relies on its stakeholders for finances, depends on its stakeholders for

advice, always seek for advice from stakeholders before making decisions and that they meet stakeholders to discuss the Ministry progress. Thus, for line ministries in Uganda to achieve the desired level of corporate sustainability they should improve on the stakeholder management practices.

The findings are in agreement with the previous studies for example in his study Velte (2020) it was stated that corporate sustainability (CS) is related to stakeholder management concept with great attraction by public interest entities (PIEs). When powerful stakeholders actively try to interfere with the actions of an organisation, their pressures can affect CS, and their engagement may influence the choices of a company's management whether or not to report on specific issues and whether or not to comply with reporting standards (Fordham & Robinson, 2018). High levels of engagement of key stakeholders with legitimate interests, for instance, may influence the management to disclose sustainability-related “bad news” in addition to “good news,” leading to sustainability reports of higher quality (Wolf, 2014). Thus, processes in which stakeholders actively pressure a firm to operate more sustainable, and which influence management's choices concerning corporate sustainability reporting may reduce the information asymmetry between the company and its stakeholders but also positively influence the companies' competitive position (Dal Maso et al., 2017). For these reasons, it is expected that high levels of stakeholder management positively affect CS (Manning, Braam & Reimsbach, 2019). Stakeholder theory holds that ministries in Uganda should consider corporate sustainability practices that requires them to consider the interest of all parties affected by their actions (Freeman, 1984). Freeman suggested that leaders should tailor their policies to satisfy the needs of all the stakeholders, not just those of the shareholders. Similarly, if ministries in Uganda want to be effective in corporate sustainability, they need pay attention to all and only those

relationships that can affect or be affected by the achievement of the organization's purpose (Freeman, 1984; Freeman & Velamuri, 2021). These results were generally in support of the current findings of this study.

### **5.1.2 Relationship between ethical leadership and corporate sustainability**

The study results indicate that there is a significant relationship between ethical leadership and corporate sustainability among line ministries in Uganda. Correlation results further indicate that fairness, people orientation, power sharing and moral behavior have a positive and significant association with corporate sustainability among line ministries in Uganda. Therefore, leaders of line ministries in Uganda should emphasize ethical leadership through improving fairness, people orientation, power sharing and moral behavior while conducting their activities in order to achieve high levels of corporate sustainability among line ministries in Uganda. It is evident that in this study that most respondents were in disagreement that top management among line ministries in Uganda holds their staff accountable for problems over which they have no control, listens to what employees have to say, makes fair and balanced decisions, interested in how employees feel and how they are doing, takes time for personal contact, pays attention to employees personal needs, allows subordinates to influence critical decisions, encourages employees to work in teams, delegates challenging responsibilities to subordinates, are committed to doing what is right according to societal and organizational cultural beliefs and values and demonstrate a level of moral value that emphasizes their trustworthiness. Thus, for line ministries in Uganda to achieve the desired level of corporate sustainability they should improve on the ethical leadership practices.

The findings of this study are consistent with the findings of the previous researchers for example, in their study Luque and Herrero-Garcia (2019) that EL has emerged as more than



necessity for the organizations to distinguish their firms from competitors in term of both CS and performance aspects. Luu, Le, Masli, and Rajendran (2019) highlighted the importance of ambidextrous leadership to attenuate the significant effect of CS on firm's performance. In their study Saha, Cerchione, Singh & Dahiya (2020) further highlights ethical leadership as one of the financial factors as one of the main barriers affecting the adoption of CS practices. Jones-Christensen, Mackey, and Whetten (2014) stressed that ethical leader try to balance the variety of needs of stakeholders in the manner that meets the interests of all and thus often appear as CS champion. A leader attention to regularly communication ethics and social aspects of the organization can establish understating and reverent societal responsibilities about the CSR practices that can motivate employees to initiate them (Kim & Thapa, 2018). These results were generally in support of the current findings of this study.

### **5.1.3 The combined power of stakeholder management and ethical leadership on corporate sustainability.**

The study results indicate that stakeholder management combined with ethical leadership positively and significantly affect corporate sustainability. This is evidenced by the predictive potential of stakeholder management and ethical leadership to attaining corporate sustainability among line ministries in Uganda given by (Adjusted R Square =.79.3) as shown by the regression results. It is thus important that for management of line ministries in Uganda to emphasize ethical leadership through improving fairness, people orientation, power sharing and moral behavior while conducting their activities in order to achieve high levels of corporate sustainability among line ministries in Uganda. The findings of this study are consistent with the literature of Schinzel (2018) who highlighted the importance of stakeholder management combined with ethical leadership have positive association with corporate sustainability. Ansu-

Mensah et al. (2021) who stated pressure emanating from stakeholder groups such as nations and civil societies has directed several organisations to change their policies towards achieving corporate sustainability. Equally, the global economic crises that have been witnessed in the twenty-first century have resulted in ethical leadership in the public and private during governance of the institutions (Saha et al., 2020). It is no wonder that corporate sustainability and stakeholder management are continuously picking up significance in the globalized business world (Hasan, Kobeissi, Liu, & Wang, 2018). These results were generally in support of the current findings of this study.

## **5.2 Conclusion**

The objectives of this study were; to examine the relationship between stakeholder management and corporate sustainability among line ministries in Uganda, to examine the relationship between ethical leadership and corporate sustainability among line ministries in Uganda and to examine the combined power of stakeholder management and ethical leadership on corporate sustainability among line ministries in Uganda. The above three objectives were achieved through a questionnaire survey of 240 respondents from 16-line ministries in Uganda representing a response rate of 80%. The findings of the study have indicated that independent variable (stakeholder management and ethical leadership) predict 79.3% of the variance in corporate sustainability among line ministries in Uganda. Also, it is important for the top management of line ministries in Uganda to emphasize ethical leadership in the during their operations since it was a stronger predictor corporate sustainability. This can be emphasized through improving fairness, people orientation, power sharing and moral behavior in order to attain the desired level of corporate sustainability among line ministries in Uganda. Furthermore, for line ministries in Uganda to achieve corporate sustainability they need to improve the level of

stakeholder management through considering high level of collaboration, interdependence and consultation while running their activities. Overall, the findings clearly show that when top management of line ministries in Uganda manages their stakeholders effectively and ensure ethical leadership practices, they can significantly improve their corporate sustainability.

### **5.3 Recommendations**

The management of line ministries in Uganda should put more efforts in maintaining improving the ethical leadership among their leaders through fairness, people orientation, power sharing and moral behavior in order to attain the desired level of corporate sustainability among line ministries in Uganda.

The findings also revealed that stakeholder management also predicts corporate sustainability. Thus, line ministries in Uganda should endeavour to manage their stakeholders through considering or emphasising of collaboration, interdependence and consultation while running their activities to achieve corporate sustainability among ministries.

Ethical leadership and its techniques should be considered for continuous education courses through management meetings and conferences among line ministries in Uganda. It should also be considered as a cornerstone for management evaluations.

A policy on stakeholder management that caters for all users especially end users of public services need to be developed. This is to address the necessary skills required for management of the stakeholder, code of conduct and ethics as well as transfers or deployment of employees.

Line ministries in Uganda should promote their ethical principles among their leaders and manage their stakeholders to improve corporate sustainability.

### **5.3 Study limitations**

The results were limited to Line Ministries in Uganda and so these results may not be able to represent the views of other projects. Further research studies need to be conducted to include other districts in the country and other projects

The fact that this research was cross-sectional, changes in peoples' perceptions over time may not be captured. It doesn't cover the changes in behavior time. Also, the results give very important insights, they should be generalized with caution.

This study used quantitative data which sometimes misses certain information and limits the respondent's opinions on the study variables. However, this study clearly brought out the overall contribution of stakeholder management and ethical leadership towards influencing corporate sustainability among line ministries in Uganda

The study will be limited to only three variables that are under the study. This will limit the researcher to only those variables under the study.

The current study was limited by the research design. The study focused mainly on cross-sectional study, thus generalizing the data of the sample to a bigger population ignoring the importance of longitudinal study which can be useful in examining the influence of stakeholder management and ethical leadership on corporate sustainability. However, the study used a sample of line ministries in Uganda which represents other public institutions in Uganda since most of the public institutions experience the same corporate sustainability challenges in their operations

#### **5.4 Areas for further research**

This study focused on stakeholder management, ethical leadership and corporate sustainability among line ministries in Uganda. Further studies should sample various organization's in the country and from other sectors other than Ministries. Also, a mixed method research needs to be conducted on stakeholder management and ethical leadership influencing the corporate sustainability among line ministries in Uganda to gather the respondent's opinions on the variables. Further studies may also be conducted to ascertain other predictors of corporate sustainability among line ministries in Uganda given that the independent variables only predict 79.3%.

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## Appendix 1: Questionnaire

### MAKERERE UNIVERSITY MAKERERE UNIVERSITY BUSINESS SCHOOL

**Dear Respondent,**

I am **Arinanye James**, a student at Makerere University Business School pursuing a Master's Degree in Leadership and Governance. I am conducting a field study on "*Stakeholder Management, Ethical Leadership and Corporate Sustainability among Line Ministries in Uganda*". You have been identified as a respondent, and I therefore request a few minutes of your busy schedules to fill this questionnaire. The responses will be aggregated to the projects and used purely for academic research. Your honest and sincere responses are highly appreciated and shall be treated with utmost confidentiality.

#### **SECTION A-i: Demographic Characteristics**

**(i) Please indicate your Gender:**

Male	Female
1	2

**(ii) What is your age bracket:**

20-29 years	30-39years	40-49years	50years and above
1	2	3	4

**(iii)What is your highest education attained**

Diploma	Bachelor's Degree	Masters	PhD
1	2	3	4

**(iv)What is your marital status:**

Single	Married	Divorced	Widowed
1	2	3	4

**(v) How many years have you worked with the institution**

Less than 3 years	3-6 years	7-10 years	More than 10 years
1	2	3	4

**(vi)Please indicate how your related to the Ministry**

Officer	Low level management	Middle level management	Top level management
1	2	3	4

**(vii) What is your employment category**

Project based staff	Contract staff	Permanent staff
1	2	3

**(viii) How many years have the Ministry been in operation**

1-5 years	6-10years	11-15years	20years &above
1	2	3	4

**(ix) How many employees are employed with the Ministry**

1-50employees	50-100employee	Above 100 employees
1	2	3

**(x) How many years have you worked with the institution**

Less than 3 years	3-6 years	7-10 years	More than 10 years
1	2	3	4

## SECTION B

The table below shows the alternative responses and the number assigned to each response. For In sections B – D, please evaluate the statement by ticking in the box with the number that best suits your response. The options are;

Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
6	5	4	3	2	1

### Section B: Stakeholder management

<i>Co</i>	<b>Collaboration</b>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Co1	The Ministry consults stakeholders before making decisions	1	2	3	4	5	6
Co2	Information on the status of the Ministry is shared to all stakeholders	1	2	3	4	5	6
Co3	Stakeholders' opinions are always considered by the Ministry	1	2	3	4	5	6
Co4	Stakeholders work together to achieve the organisation goals	1	2	3	4	5	6
Co5	Employees are aware of the objectives of Ministry and are committed to achieving them	1	2	3	4	5	6
Co6	Employees regularly engage in dialogue in the process of working together	1	2	3	4	5	6
Co7	Decisions in the Ministry are made by consensus.	1	2	3	4	5	6
Co8	Staff at the Ministry work together to arrive at targets	1	2	3	4	5	6
Co9	Sharing of information has resulted in improved cooperation among staff	1	2	3	4	5	6
Co10	Sharing of information has improved the level of trust among staff	1	2	3	4	5	6
<i>In</i>	<b>Interdependence</b>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
In1	The Ministry relies on its stakeholders for finances	1	2	3	4	5	6
In2	The institution depends on its stakeholders for advice	1	2	3	4	5	6
In3	Information from stakeholders at the Ministry is relied on to perform well	1	2	3	4	5	6
In4	The Ministry depends on its stakeholders for inputs	1	2	3	4	5	6
In5	The institution relies on its stakeholders for manpower	1	2	3	4	5	6
In6	Departments at the Ministry coordinate efforts of each other to achieve common goals	1	2	3	4	5	6
In7	Conflicts and concerns are openly discussed in task groups	1	2	3	4	5	6
In8	Task groups resolve conflicts and concerns on time	1	2	3	4	5	6
In9	There is a common sense of purpose for all employees in all departments at the Ministry	1	2	3	4	5	6
In10	In this Ministry stakeholders have similar performance interests	1	2	3	4	5	6
<i>Cn</i>	<b>Consultation</b>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Cn1	The Ministry always seeks for advice from stakeholders before making decisions	1	2	3	4	5	6
Cn2	Employees input is always taken seriously by the Ministry	1	2	3	4	5	6
Cn3	Stakeholders always meet to discuss the Ministry progress	1	2	3	4	5	6
Cn4	At the Ministry stakeholders always meet to discuss the way forward in case of a problem	1	2	3	4	5	6
Cn5	The channel used to share information is liked by all stakeholders	1	2	3	4	5	6
Cn6	Interactions amongst staff at the Ministry is guided by a communication policy	1	2	3	4	5	6

Cn7	Ministry targets are always explained to staff in a meaningful way	1	2	3	4	5	6
Cn8	Sharing of information has resulted in improved cooperation among project stakeholders	1	2	3	4	5	6
Cn9	The information provided clearly indicates the roles and responsibilities of each stakeholder	1	2	3	4	5	6
Cn10	Opinions from stakeholders are always given attention	1	2	3	4	5	6

### Section C: Ethical Leadership

	<b>Fairness</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
F1	Top management in my Ministry holds me accountable for problems over which I have no control	1	2	3	4	5	6
F2	Top management listens to what employees have to say.	1	2	3	4	5	6
F3	Top management in my Ministry makes fair and balanced decisions	1	2	3	4	5	6
F4	Leadership in my Ministry has the best interests of employees in mind	1	2	3	4	5	6
F5	The Ministry's leaders always encourage open and honest communication, particularly in discussion concerning decision making	1	2	3	4	5	6
F6	Top management disciplines employees who violate ethical standards fairly	1	2	3	4	5	6
F7	Leaders treat all managers fairly and without preference.	1	2	3	4	5	6
F8	Leaders motivate managers to achieve extraordinary outcomes.	1	2	3	4	5	6
F9	Supervisor always treat employees with dignity	1	2	3	4	5	6
F10	The Ministry's leaders always speak out against unfair practices	1	2	3	4	5	6
	<b>People Orientation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
PO1	Top management in this Ministry is interested in how I feel and how I am doing	1	2	3	4	5	6
P02	Leadership in this Ministry takes time for personal contact	1	2	3	4	5	6
P03	Top management in this Ministry pays attention to my personal needs	1	2	3	4	5	6
PO4	Leadership in my Ministry takes time to talk about work-related emotions	1	2	3	4	5	6
PO5	Leaders in this Ministry are genuinely concerned about my personal development	1	2	3	4	5	6
PO6	Leadership sympathizes with me when I have problems	1	2	3	4	5	6
PO7	Leadership cares about his/her followers	1	2	3	4	5	6
Po8	Leadership ensures that organizational business is conducted within set routines and standard operating procedures.	1	2	3	4	5	6
Po9	Leadership Conducts the setting and implementation of organizational goals & objectives.	1	2	3	4	5	6
Po10	Leadership ensures that employees are involved in decision-making of the organization	1	2	3	4	5	6
	<b>Power Sharing</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
PS1	Top management in my Ministry allows subordinates to influence critical decisions	1	2	3	4	5	6
PS2	Top management in my Ministry encourages employees to work in teams	1	2	3	4	5	6
PS3	Leaders delegate challenging responsibilities to subordinates	1	2	3	4	5	6

PS4	Top management in this Ministry seeks advice from subordinates concerning organizational strategy	1	2	3	4	5	6
PS5	Top management in my Ministry reconsiders decisions on the basis of recommendations by those who report to them	1	2	3	4	5	6
Ps6	My leader encourages employees / units to work in teams.	1	2	3	4	5	6
Ps7	My leader provides employees with training opportunities.	1	2	3	4	5	6
Ps8	In this organization, I have high degree of influence in company decisions	1	2	3	4	5	6
Ps9	In this organization, I have high degree of influence in the decisions affecting me	1	2	3	4	5	6
Ps10	In this organization, I can participate in setting new company policies	1	2	3	4	5	6
	<b>Moral behavior</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
MB1	At my Ministry, leaders are committed to doing what is right according to societal and organizational cultural beliefs and values	1	2	3	4	5	6
MB2	In my Ministry, leaders do demonstrate a level of moral value that emphasizes their trustworthiness	1	2	3	4	5	6
MB3	In my Ministry, leaders have developed the norms, guidelines, and expectations that prescribe appropriate kinds of behavior by employees in particular situations, such as dealing with workers and dependents	1	2	3	4	5	6
MB4	Top management in my Ministry encourages employees to uphold the same moral values that they practice.	1	2	3	4	5	6
MB5	Leaders in my Ministry portray behaviors that make them a good role model	1	2	3	4	5	6
MB6	Top management in my Ministry compliments employees who observe written codes of conduct and behave according to integrity guidelines	1	2	3	4	5	6
MB7	Leaders in this Ministry set an example of how to do things the right way in terms of ethics.	1	2	3	4	5	6
Mb8	Leaders in this Ministry Portray behaviors that make him/her a good role model.	1	2	3	4	5	6
Mb9	Leaders in this Ministry Compliment employees who observe written codes of conduct and behave according to integrity guidelines.	1	2	3	4	5	6
M10	Leaders in this Ministry Support organizational causes that positively impact on external communities.	1	2	3	4	5	6

#### Section D: Corporate Sustainability

<b>Soc</b>	<b>Social</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Soc1	The Ministry improves employee or community health and safety	1	2	3	4	5	6
Soc2	The need to fund public initiatives is recognised by the Ministry	1	2	3	4	5	6
Soc3	Claims and rights of aboriginal peoples are protected by the Ministry	1	2	3	4	5	6
Soc4	The Ministry show concern for the visual aspects of state facilities and operations	1	2	3	4	5	6
Soc5	Environmental impacts and risks of the state to the general public is communicated by the Ministry	1	2	3	4	5	6
Soc6	The Ministry interests stakeholders in investment decisions by creating a formal dialog	1	2	3	4	5	6
Soc7	Expected benefits in this community are met by the Ministry	1	2	3	4	5	6

Soc8	The Ministry provides a number of benefits to full-time and part-time employees	1	2	3	4	5	6
Soc9	There is a big percentage of employees receiving regular career development reviews at the Ministry	1	2	3	4	5	6
Soc10	Local community is engaged in the Ministry's operations	1	2	3	4	5	6
<b>Eco</b>	<b>Economic</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Eco1	The Ministry offers services and products for revenue	1	2	3	4	5	6
Eco2	The costs of operation during works is reduced at the Ministry	1	2	3	4	5	6
Eco3	Waste management costs for same level of outputs are reduced in the Ministry's operations	1	2	3	4	5	6
Eco4	The Ministry works with government officials to protect the public's interest	1	2	3	4	5	6
Eco5	The Ministry created spin-off technologies that could be profitably applied to other areas of the business	1	2	3	4	5	6
Eco6	The institution pays taxes to government for its employees	1	2	3	4	5	6
Eco7	The Ministry has a retirement plan for its employees	1	2	3	4	5	6
Eco8	A proportion of the Ministry's expenditures is spent on local suppliers	1	2	3	4	5	6
Eco9	Communications about anti-corruption policies and procedures are made by the Ministry	1	2	3	4	5	6
Eco10	The Ministry supports infrastructure investments for its employees	1	2	3	4	5	6
<b>Env</b>	<b>Environmental</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Env1	The Ministry encourages reduction energy consumption within its operations	1	2	3	4	5	6
Env2	Wastes and emissions from the Ministry's operations are avoided	1	2	3	4	5	6
Env3	The Ministry reduces the impact on animal species and natural habitats	1	2	3	4	5	6
Env4	The environmental impacts of the Ministry's services are reduced	1	2	3	4	5	6
Env5	The Ministry reduces environmental impact by establishing partnerships	1	2	3	4	5	6
Env6	The Ministry reduces the risk of environmental accidents, spills, and releases	1	2	3	4	5	6
Env7	The purchases of non-renewable materials, chemicals, and components at the Ministry is reduced	1	2	3	4	5	6
Env8	The Ministry reduces the use of traditional fuels by substituting some less polluting energy sources	1	2	3	4	5	6
Env9	Voluntary actions (e.g., actions that are not required by regulations) for environmental restorations are undertaken at the Ministry.	1	2	3	4	5	6
Env10	Actions for environmental audit, public disclosure, employee training and immunity are undertaken at the Ministry.	1	2	3	4	5	6

***Thank You for Your Cooperation***

## Appendix 2: List of Ministries

- 1 Office of the President
- 2 Office of the Vice President
- 3 Office of the Prime Minister
- 4 Office of First Deputy Prime Minister & Minister for EAC Affairs  
Office of Second Deputy Prime Minister & Leader of Government
- 5 Business  
Office of Third Deputy Prime Minister & Minister Without
- 6 Portfolio
- 7 Ministry for Agriculture, Animal Industry and Fisheries
- 8 Ministry of Information and Communications Technology
- 9 Ministry of Defence and Veterans Affairs
- 10 Ministry of Disaster Preparedness and Refugees
- 11 Ministry of Education and Sports
- 12 Ministry of Energy and Mineral Development
- 13 Ministry of Finance, Planning and Economic Development
- 14 Ministry for Foreign Affairs
- 15 Ministry of Gender, Labour and Social Development  
Minister in Charge of General Duties in the Office of the Prime
- 16 Minister
- 17 Ministry of Health
- 18 Ministry of Internal Affairs
- 19 Ministry of Justice and Constitutional Affairs
- 20 Ministry of Lands, Housing and Urban Development
- 21 Ministry of Local Government
- 22 Ministry of the Presidency
- 23 Ministry of Public Service
- 24 Ministry of Internal Security
- 25 Ministry of Trade, Industry and Cooperatives
- 26 Ministry of Water and Environment
- 27 Ministry of Works and Transport
- 28 Minister of Science, Technology and Innovation
- 29 Ministry for Karamoja Affairs
- 30 Ministry of Tourism, Wildlife and Antiquities
- 31 Minister for Kampala Capital City Authority
- 32 Attorney General
- 33 Government Chief Whip

*Source: Parliament of Uganda, May 2023*