

**CORPORATE SOCIAL RESPONSIBILITY AND ORGANIZATIONAL  
PERFORMANCE OF COOPERATIVE UNIONS IN MBALE CITY: A CASE OF  
BUGISU COOPERATIVE UNION**

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**S19/MUC/BBA/106**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE OF BACHELOR OF BUSINESS  
ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY**

**November, 2024**



**UGANDA CHRISTIAN  
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**DECLARATION**

I Ididi Richard declare that the content of this research report is my original work and to the best of my knowledge this work has never been submitted anywhere for any award. It is done through my own efforts.

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## APPROVAL

I certify that this is original work drawn by Ididi Richard has been under my supervision and is now ready for submission to the department of business of Uganda Christian University.

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## **DEDICATION**

I dedicate this research report to my caring and understanding parents and all friends who were a source of inspiration and support in the course of my studies for their guidance, encouragement.

## **ACKNOWLEDGEMENT**

I give special thanks to the Almighty God for the gift of life and good health, lack of which I would not have made it this far.

Special and sincere thanks go to, my lecturers of Uganda Christian University for their continued advice and commitment throughout the project period. My family members, relatives and friends thanks a lot for your support. All my classmates and others who in one way or the other gave me support please receive my heartfelt thanks.

## **ACRONYMS AND ABBREVIATIONS**

CEO	:	Chief executive Officer
CSR	:	Corporate Social Responsibility
CVI	:	Content Validity Index
HRM	:	Human Resource Management
MCC	:	Cooperative Union
SPSS	:	Statistical Package for Social Sciences
WBCSD	:	World Business Union for Sustainable Development

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## ABSTRACT

The research was undertaken to assess the Impact of corporate social responsibility on organizational performance of cooperative unions in Mbale city. It was guided by three objectives; to determine the effect of leadership style on organizational performance of Bugisu cooperative union to analyze the effect employee engagement on organizational performance of Bugisu cooperative union, to assess the effect of ethical practices on organizational performance of Bugisu cooperative union. The researcher used a sample size of 45 respondents and used questionnaires to collect data and later the data was analyzed using the statistical package for social sciences (SPSS). Results of the first objective showed that leadership style has a significant effect on organizational performance of Bugisu cooperative union. Supported by the following responses; 80% were positive to the statement that leadership style fosters employee motivation; 66.6% who were also the majority were positive to the statement that it promotes a proactive organizational culture; 62.3% who also constituted the majority were positive to the statement that servant leaders create a supportive work environment that encourages collaboration.

. Results of the second objective revealed that employee engagement has a significant effect on organizational performance of Bugisu cooperative union. Supported by the following responses; 66.7% of the respondents were positive to the statement that engaged employees tend to be more motivated, innovative, and committed, leading to greater organizational success and profitability, 66.6% forming the majority were positive to the statement that higher engagement levels enhance organizational performance by fostering employee well-being and motivation. Results of the third objective showed that that ethical practice have a significant effect on organizational performance of Bugisu cooperative union. 73.4% forming the majority were positive to the statement that ethical practices can positively impact not only employee and consumer perceptions but also financial outcomes, 51.1% were positive to the statement that ethical leadership fosters a climate of trust and openness, resulting in higher employee commitment. Leaders should uphold high ethical standards and serve as role models for ethical behavior. Demonstrating integrity, fairness, and transparency in decision-making and actions sets the tone for the entire organization and fosters a culture of ethics.

# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

This chapter presents a background of the study, statement of the problem, purpose of the study, specific objectives, and research questions, scope of the study, significance of the study, and conceptual framework.

### 1.1 Background of the Study

This will consist of historical background, theoretical background, conceptual background and contextual background.

#### 1.1.1 Historical background

Rowold, (2011) articulated that Organizations performance is process to enhance both the effectiveness of an organization and the well-being of its member through planned interventions. One of the three key points of the organizational development will which lead to organizational performance are when many of organization development effort to increasing organizational learning, with the intent of then impacting organizational performance (Randy, 2009). An employee's performance is determined during job performance review, with an employer taking into account factor such as leadership skills and productivity to analyze each employee on an individual basis. Job performance reviews are often done yearly and can determine raise eligibility, whether an employee is right for promotion or even if an employee should be fired.

According to Reeves, (2015) Organizational performance refer to the actual output or results of an organization as measured against its intended outputs, goals and objective. There are four types of organizational performance measures, first human resource outcomes, second organizational outcomes, third financial accounting outcome, and lastly capital market outcomes. Human resource outcomes related to change in employee behavior which included employee satisfaction, turnover and absenteeism. Organizational outcomes contain labor productivity, customer satisfaction, and quality of products services. Financial accounting outcomes included three measures such as returns on assets, return on equity and profitability. Capital market outcomes reflect how market

evaluates an organization which consists of the three indicators which is stock price, growth rate of stock price and market returns (Dyer & Reeves, 2015).

According to Rowold (2011) high performance work system and practices have need identified as playing a key role in the achievement of business goals and improved organizational effectiveness. The logic is that high performance work systems influence and align employee's attitude and behaviors with strategic goal of the organization and they increase employee commitment and subsequently organizational performance. Peter (2005) urges that Company performance is traditionally related to increasing shareholder value. Performance can, however, also be measured in terms of reduction environmental footprint, improved occupational health and safety performance, increase customer satisfaction.

According to Sriwan (2004) Company performance should be judged against a specific objective to see whether the objective is achieved. Without an objective, the company has no criterion for choosing among alternative investment strategies and projects. For instance, if the objective of the company is to maximize its return on investment, the company would try to achieve by adopting investments with return on investment ratios greater than the company's current average return on investment ratio. However, if the objective of the company were to maximize its accounting profits, the company would adopt any investment, which would provide a positive accounting profit, even though the company might lower its current average return on investment ratio. Performance measurement is important for keeping a company on track in achieving its objectives.

Awunyo-Vitor, (2019) intimated that the organization itself does not perform any work but its managers are performing their assigned works and in a combination of these performed works is called organization performance. Some factors are to be performed by organization such as human and cultural factors, technology, natural resources, economic factors, regulatory measures, markets, management philosophy, organizational culture (Goals, Value, Beliefs & Norms), organizational climate, motivated behavior and teamwork, structure, technological and physical resources, financial resources, leadership style. In a combination of these resources, the organization gets some outcome such as effectiveness, efficiency, development and participant's satisfaction. Organizations vary according to the relative influence of a number of factors related

to both the objective of the organization and the instruments and strategies chosen to achieve them (Awunyo-Vitor, 2019).

### **1.1.2 Theoretical perspective**

#### **Stakeholder Theory**

According to Santoso (2012) Stakeholder theory, which has been described by Edward Freeman and others, is the mirror image of corporate social responsibility. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. It lists and describes those individuals and groups who was affected by (or affect) the company's actions and asks, in a single sentence, stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it. As a simple example, when a factory produces industrial waste, a CSR perspective attaches a responsibility directly to factory owners to dispose of the waste safely. By contrast, a stakeholder theorist begins with those living in the surrounding community who may find their environment poisoned, and begins to talk about business ethics by insisting that they have a right to clean air and water. Therefore, they're stakeholders in the company and their voices must contribute to corporate decisions. It's true that they may own no stock, but they have a moral claim to participate in the decision-making process. This is a very important point. At least in theoretical form, those affected by a company's actions actually become something like shareholders and owners. Because they're touched by a company's actions, they have a right to participate in managing it (Santoso 2012).

#### **The Triple Bottom Line**

Deloof (2003) acknowledges that the triple bottom line is a form of corporate social responsibility dictating that corporate leaders tabulate bottom-line results not only in economic terms (costs versus revenue) but also in terms of company effects in the social realm, and with respect to the environment. There are two keys to this idea. First, the three columns of responsibility must be kept separate, with results reported independently for each. Second, in all three of these areas, the company should obtain sustainable results. Economic sustainability values long-term financial solidity over more volatile, short-term profits, no matter how high. According to the triple-bottom-line model, large corporations have a responsibility to

create business plans allowing stable and prolonged action. That bias in favor of duration should make companies hesitant about investing in things.

### **1.1.3 Conceptual perspective**

#### **Corporate Social Responsibility (CSR)**

According to Carroll, (1979), Corporate Social Responsibility refers to a company's commitment to contributing positively to society by integrating social, environmental, and economic concerns into its business operations and interactions. It entails going beyond profit-making objectives and taking voluntary actions to address societal needs and concerns. CSR initiatives can involve philanthropy, environmental sustainability, ethical business practices, stakeholder engagement, and community development activities. According to Carroll's CSR Pyramid, CSR includes four dimensions: economic responsibilities, legal responsibilities, ethical responsibilities, and philanthropic responsibilities (Carroll, 1979).

#### **Leadership style**

Northouse, P. G. (2018) postulated that leadership style refers to the manner in which a leader influences and directs the behavior of their subordinates. Different leadership styles have varying impacts on employee motivation, satisfaction, and performance. Some common leadership styles include autocratic, democratic, transformational, transactional, and servant leadership. Each style has its own strengths and weaknesses, and the most effective style depends on the specific organizational context and goal (Northouse, P. G. 2018).

#### **Employee engagement**

Kahn, W. (1990) stresses that employee engagement refers to the extent to which employees feel committed, involved, and motivated in their work and are willing to go above and beyond their role requirements to contribute to organizational success. Engaged employees are enthusiastic, loyal, and emotionally connected to their work and the organization. Various factors, such as supportive leadership, opportunities for growth, recognition and rewards, and a positive work environment, contribute to employee engagement.

### **Ethical practices**

Brown, M. (2000) alluded that ethical practices encompass the principles and standards that guide the behavior of individuals and organizations in a morally responsible and transparent manner. Ethical practices involve acting with integrity, honesty, fairness, and respect for stakeholders, including employees, customers, suppliers, and the broader community. Organizations that prioritize ethical practices build trust, maintain long-term relationships, and contribute to sustainable success.

### **Organizational performance**

Sheng, S., Zhou, K. Z., & Li, J. J. (2011) intimated that organizational performance refers to the extent to which an organization achieves its objectives and delivers desirable outcomes. It encompasses various dimensions such as financial performance, market share, customer satisfaction, employee productivity, and innovation. Factors such as effective leadership, clear goals, competent workforce, efficient processes, and successful implementation of strategies significantly influence organizational performance.

### **Competent workforce**

Boyatzis, R. E. (1982) affirmed that a competent workforce refers to employees who possess the necessary knowledge, skills, and abilities to perform their job effectively. Competency can be measured by assessing technical expertise, problem-solving abilities, communication skills, adaptability, and other relevant attributes. Organizations need a competent workforce to drive innovation, enhance productivity, and achieve organizational goals.

### **Clear organizational goals**

Latham, G. P. (2002) contends that clear organizational goals refer to well-defined and measurable objectives that provide direction and purpose to the entire organization. These goals should be aligned with the organization's mission, vision, and values and should be communicated to employees at all levels. Clear goals help employees understand their role in achieving organizational success and provide a basis for evaluating performance and prioritizing tasks (Latham, G. P. 2002).

### **Effective communication**

Zelley, E. D. (2005) opined that effective communication involves the exchange of information, ideas, and feedback in a clear, concise, and timely manner. It is essential for fostering collaboration, resolving conflicts, building relationships, and ensuring shared understanding within an organization. Effective communication can enhance employee engagement, facilitate knowledge sharing, and improve overall organizational performance.

### **Operational efficiency**

Johnston, R. (2016) acknowledges that operational efficiency refers to the ability of an organization to optimize its processes and resources to achieve maximum productivity and reduce wastage. It involves streamlining workflows, eliminating bottlenecks, reducing costs, and enhancing quality and timeliness. Operational efficiency is crucial for enhancing organizational performance and maintaining a competitive edge in the market.

### **Strategic planning**

Wheelen, T. L., & Hunger, J. D. (2017) asserts that strategic planning involves the process of defining an organization's long-term goals and developing a roadmap to achieve those goals. It includes analyzing the internal and external environment, setting objectives, formulating strategies, and implementing action plans. Strategic planning helps organizations anticipate and adapt to changes, make informed decisions, and align resources to maximize performance and competitive advantage.

#### **1.1.4 Contextual perspective**

Bugisu Cooperative Union (BCU) is a Ugandan agricultural cooperative federation, established in July 1954. It was started by a group of coffee farmers led by The Late EV. Samson Kitutu. A new Bugisu coffee ordinance was enacted in 1955 providing for BCU ltd to take over all the marketing functions from the Bugisu coffee scheme as well as all the scheme's assets except the reserve funds which were still held by Bugisu coffee board. BCU is owned by coffee farmers who are organized in primary societies.

## **1.2 Statement of the problem**

Bugisu Cooperative Union, a prominent cooperative union located in Mbale city, has been engaging in corporate social responsibility initiatives. However, there is a lack of comprehensive analysis regarding the impact of corporate social responsibility (CSR) on the union's overall organizational performance. There is a need to investigate and understand the extent to which CSR practices have influenced the union's financial stability, sustainability, reputation, and stakeholder relationships. While Bugisu Cooperative Union has been implementing various CSR activities, such as supporting local communities, promoting sustainable farming practices, and investing in social infrastructure, the specific outcomes and effects on the organization's performance remain unclear. It is crucial to evaluate the effectiveness and efficiency of these CSR initiatives in order to improve the union's performance and enhance its contributions to community development.

Auditor General's reports for the years 2018/2019 and 2019/2020 indicated challenges and barriers hindering the adoption and implementation of CSR practices within the cooperative union. These obstacles included financial constraints, insufficient awareness and understanding of CSR, lack of a dedicated CSR strategy, or limited integration of CSR principles in the organizational culture and decision-making processes. Understanding the impact of CSR on the organizational performance of Bugisu Cooperative Union is essential for several reasons. Firstly, it will provide insights into the effectiveness of the current CSR practices and highlight areas for improvement. This knowledge can be utilized to optimize resource allocation, identify potential cost savings, and enhance the efficiency of CSR initiatives.

Secondly, evaluating the impact of CSR on organizational performance can help Bugisu Cooperative Union attract and retain stakeholders, including members, customers, investors, and suppliers. If CSR activities positively influence reputation, trust, and stakeholder engagement, it can lead to increased loyalty, sales, and partnership opportunities. In conclusion, the problem statement addresses the need to assess the impact of CSR on the organizational performance of Bugisu Cooperative Union in Mbale city. By analyzing the outcomes, challenges, and benefits of CSR initiatives, this study aims to identify opportunities for improvement and enable the cooperative union to enhance its overall performance, reputation, and stakeholder relationships.

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

The purpose of the study is to assess the relationship between corporate social responsibility and organizational performance of cooperative unions.

### **1.4 Specific objectives**

- i. To determine the effect of leadership style on organizational performance of Bugisu cooperative union
- ii. To analyze the effect employee engagement on organizational performance of Bugisu cooperative union
- iii. To assess the effect of ethical practices on organizational performance of Bugisu cooperative union

### **1.5 Research questions**

- i. What is the effect of leadership style on organizational performance of Bugisu cooperative union?
- ii. What is the effect employee engagement on organizational performance of Bugisu cooperative union?
- iii. What is the effect of effect of ethical practices on organizational performance of Bugisu cooperative union?

### **1.6 Scope of the study**

#### **1.6.1 Content scope**

The study was focused on leadership style, employee engagement, ethical practices as independent variables and competent workforce, clear organizational goals, effective communication, operational efficiency, strategic planning as dependent variables.

#### **1.6.2 Time scope**

The study was based on a 1 year time frame (2020-2021). This is because this is the period when Bugisu cooperative union has been marred by leadership challenges, including allegations of abuse of office, lack of transparency, mismanagement of funds.

### **1.6.3 Geographical scope**

Bugisu cooperative union Ltd is situated on Plot 46 Pallisa Road in Mbale town in Bugisu sub-region in Eastern Ugandan, East Africa. It is 256 kilometers (160 miles) from Kampala, the capital city. Bugisu is found on the slopes of Mt. Elgon. This is because Bugisu cooperative union has been observed that there is poor leadership and governance generally, inadequate capitalization, insufficient economic patronization by the members, lack of access to reliable markets that pay competitive prices. The Bugisu Cooperative Union is located in the city of Mbale in the Eastern Region of Uganda. Specifically, it is situated in the Bugisu subregion, which is known for its coffee production. Mbale city is located at the coordinates 1.0642°N latitude and 34.1791°E longitude.

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

The study on the impact of corporate social responsibility (CSR) on the organizational performance of cooperative unions, particularly the Bugisu Cooperative Union in Mbale city, holds significant importance. Here are some key points regarding the significance of this study:

**Enhancing Understanding:** The study may contribute to enhancing our understanding of the relationship between CSR initiatives and the overall performance of cooperative unions. It may shed light on whether these social responsibility measures have a positive influence on the organizational performance of cooperative unions like Bugisu.

**Sustainable Business Practices:** The findings of the study may highlight the importance of integrating CSR practices into the operations of cooperative unions. This can encourage them to adopt and implement sustainable business practices that benefit not only the organization but also the environment and the communities they serve.

**Stakeholder Relations:** By exploring the impact of CSR on organizational performance, the study may emphasize the significance of maintaining strong relationships with various stakeholders. It may help identify how CSR initiatives can positively affect the cooperative union's reputation, employee engagement, customer loyalty, and relationships with suppliers, thereby contributing to improved overall performance.

**Competitive Advantage:** Understanding the linkages between CSR and organizational performance can provide cooperative unions, including Bugisu Cooperative Union, with a competitive advantage. Implementing effective CSR strategies can differentiate them from competitors and attract socially conscious consumers, investors, and business partners.

**Decision-Making and Resource Allocation:** The study's insights can guide cooperative unions in making informed decisions about resource allocation towards CSR activities. By assessing the impact on organizational performance, the cooperative union leadership can prioritize investments in CSR initiatives that yield the highest return on investment and align with their strategic objectives.

**Local Community Development:** Examining the specific case of Bugisu Cooperative Union in Mbale city, the study may assess the socioeconomic impact of CSR initiatives on the local community. It can identify areas where the cooperative union's CSR efforts can be directed to drive positive change and contribute to the sustainable development of the community.

Overall, conducting this study on the impact of corporate social responsibility on the organizational performance of cooperative unions, specifically focusing on Bugisu Cooperative Union in Mbale city, may provide valuable insights to cooperative unions, researchers, policymakers, and other stakeholders. It may aid in developing strategies that foster sustainable practices, stakeholder engagement, competitiveness, and community development.

## **1.8 Justification of the study**

The study on the impact of corporate social responsibility (CSR) on organizational performance at Bugisu Cooperative Union (BCU) is a significant and justified research endeavor for several reasons:

**Practical Relevance:** Bugisu Cooperative Union is known for its role in the coffee industry in Uganda, and understanding the association between CSR and organizational performance in this specific context is highly relevant. This study would provide valuable insights into how CSR practices can be tailored to benefit both the organization and the community.

**Stakeholder Expectations:** BCU's stakeholders, including shareholders, employees, customers, suppliers, and the local community, likely have certain expectations regarding CSR activities. This research would help assess whether BCU meets these expectations and if there is room for improvement in their CSR initiatives.

**Competitive Advantage:** In today's business environment, corporate social responsibility is viewed as a potential source of competitive advantage. By examining the impact of CSR on BCU's performance, the study can shed light on how BCU can enhance its competitive position by engaging in socially responsible practices.

**Sustainable Development:** CSR is closely linked to sustainable development, which is an important global goal. Analyzing the impact of BCU's CSR activities can contribute to the understanding of how organizations can align their operations with sustainable development objectives and promote economic, social, and environmental well-being.

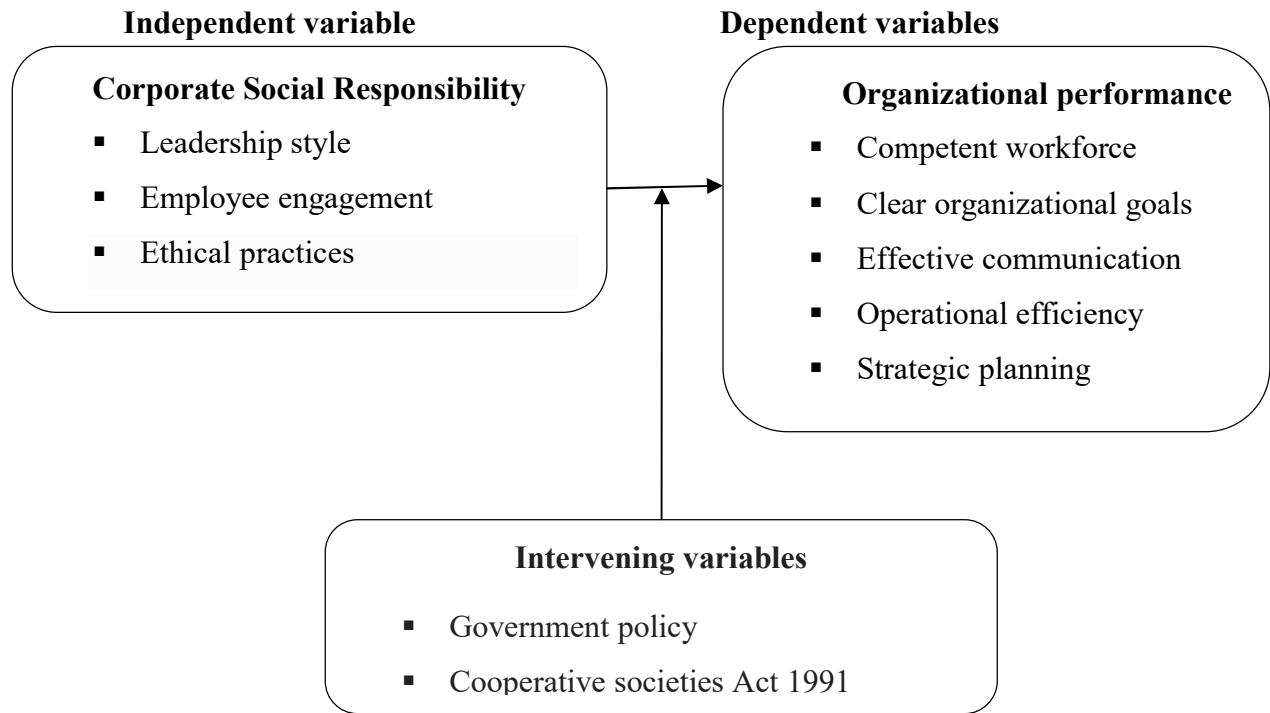
**Decision-Making and Resource Allocation:** The findings of this study can aid BCU's decision-making processes in terms of prioritizing CSR activities and allocating resources effectively. Understanding the relationship between CSR and organizational performance can guide BCU's management in making informed choices about investments in social initiatives.

**Stakeholder Relations:** An organization's CSR efforts can positively influence its relationships with various stakeholders. This study can explore how CSR activities at BCU impact stakeholder relations, such as improving employee engagement, enhancing customer loyalty, and fostering community support.

Social Impact: BCU operates within a local community, and its CSR initiatives have the potential to make a positive social impact. By examining the effects of CSR on organizational performance, the study can highlight the wider implications of BCU's activities beyond financial performance, such as job creation, poverty alleviation, and community development.

Overall, the justification for this study lies in its potential to contribute to both academic research on CSR and practical decision-making at Bugisu Cooperative Union. It can provide valuable insights that help BCU align its CSR initiatives with organizational goals, stakeholder expectations, and sustainable development objectives, ultimately benefiting both the organization and the community it operates in.

### 1.9 Figure 1 Conceptual frame work



**Source: Researcher's conceptualization(2024)**

The above conceptual frame work shows independent variable that consists of Corporate Social Responsibility that is to say leadership style, employee engagement, ethical practices while dependent variable comprises of organizational performance like among factors that include competent workforce, clear organizational goals, effective communication, operational efficiency, strategic planning likewise intervening variables include government policy, cooperative societies Act 1991.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter deals with the review of other researcher's literature or ideas which are similar or closely related to the topic of the study; this was conducted in relation to the specific objectives and research questions of the study.

#### **2.1 Effect of leadership style on organizational performance**

Adenubi(2000) articulated that in today's dynamic business environment, effective leadership is indispensable for organizational success. Leadership style, defined as the pattern of behavior exhibited by leaders in directing, motivating, and influencing their followers, has been extensively researched in relation to its impact on organizational performance. The following literature review explores the relationship between leadership styles and organizational performance, shedding light on crucial factors that influence performance outcomes. Transformational leadership, characterized by inspirational motivation, intellectual stimulation, individual consideration, and idealized influence, has drawn considerable attention due to its positive impact on organizational performance. This leadership style fosters employee motivation, enhances job satisfaction, and promotes a proactive organizational culture (Bass & Riggio, 2006). Research by Avolio et al. (2004) demonstrated that organizations led by transformational leaders experienced higher levels of innovation, productivity, and overall performance.

Transactional leadership focuses on the exchange relationship between leaders and followers. Leaders using this style provide contingent rewards and active management by exception. While transactional leadership can positively influence short-term performance through goal-setting and clarifying role expectations, it may have limitations in driving long-term organizational success and employee engagement (Bass & Avolio, 2000). Laissez-faire leadership represents a passive and hands-off approach where leaders avoid making decisions or providing guidance. This style often leads to decreased employee motivation, lower performance, and increased

levels of job dissatisfaction (Felfe & Schyns, 2006). Scholars have argued that the absence of leadership can undermine organizational effectiveness (Bass & Riggio, 2006).

Research by Yukl (2002) argues that leaders employing a contingent approach, such as situational leadership, can better align their behaviors with follower needs and task demands, thus positively influencing performance outcomes. Adopting a contingency perspective allows leaders to flexibly adjust their leadership style based on situational factors, such as the maturity and competence of followers. Servant leadership focuses on the well-being and growth of followers, emphasizing empathy, stewardship, and ethical behavior. This leadership style has gained recognition for its positive impact on employee satisfaction, commitment, and organizational performance (Eisenbeiss et al., 2008). Servant leaders create a supportive work environment that encourages collaboration, innovation, and organizational learning.

Transformational leadership has been widely recognized as an influential style that positively affects organizational performance. Research by Avolio and Bass (2002) found that transformational leaders motivate and inspire their followers, leading to higher levels of job satisfaction, commitment, and performance. Transactional leadership emphasizes the exchange relationship between leaders and followers. A study conducted by Podsakoff et al. (1990) revealed that transactional leadership positively influences employee performance and job satisfaction, albeit to a lesser extent compared to transformational leadership. Charismatic leadership focuses on a leader's ability to inspire and influence followers. Research by Conger and Kanungo (1998) demonstrated that charismatic leadership positively impacts organizational performance by fostering employee commitment, motivation, and satisfaction.

Laissez-faire leadership involves minimal guidance and supervision from the leader. It has been found to have a negative impact on organizational performance. A study by Bass and Riggio (2006) highlighted that laissez-faire leadership leads to lower employee satisfaction, engagement, and ultimately, reduced performance. Situational leadership theory suggests that leaders should adapt their style based on the situation and follower capabilities. Hersey and Blanchard (1982) conducted a study indicating that leaders who practice situational leadership achieve higher levels of organizational performance by effectively matching their leadership style to the developmental level of their subordinates.

Transformational leadership, characterized by leaders who inspire and motivate their followers to achieve exceptional performance, has been found to have a significant positive impact on organizational performance (Bass, 1999). Studies have shown that transformational leaders foster employee engagement, job satisfaction, and innovative behavior, ultimately leading to improved organizational outcomes (Avolio et al., 2004; Piccolo & Colquitt, 2006). Transactional leadership, which focuses on the exchange of rewards and punishment for compliance, has also been researched in relation to organizational performance. Studies have shown that while transactional leadership may have a positive impact on routine or stable tasks, it is less effective in promoting creativity, innovation, and long-term performance improvements (Bass & Riggio, 2006; Podsakoff et al., 2003).

Servant leadership, characterized by leaders who prioritize the needs of their followers and aim to empower them, has also been linked to improved organizational performance. Research suggests that servant leaders create a supportive environment, enhance employee well-being and satisfaction, and foster a culture of collaboration and innovation (Liden et al., 2008; Walumbwa et al., 2010). Servant leadership focuses on placing followers' needs first and empowering them to reach their full potential (Greenleaf, 1977). Studies have shown that servant leadership positively influences employee performance, job satisfaction, and organizational commitment (Liden, Wayne, Zhao, & Henderson, 2008). Charismatic leadership is characterized by leaders who possess special qualities that inspire and motivate followers (House & Howell, 1992). Research suggests a positive association between charismatic leadership and organizational performance (Yukl, 1999; Shamir, House, & Arthur, 1993). However, its effectiveness may vary depending on the cultural context and organizational dynamics (House et al., 2004).

The effect of autocratic leadership on employee performance may vary depending on specific contextual and individual factors. Researchers have identified potential moderators and mediators that influence this relationship. For instance, the level of job autonomy, task interdependence, and organizational culture may moderate the impact of autocratic leadership on employee performance (Ong et al., 2018). Additionally, employee trust, perceived organizational support, and communication may mediate the relationship between autocratic leadership and employee performance (Derise et al., 2015).

Numerous studies have suggested a significant positive correlation between autocratic leadership and job stress. The lack of employee involvement and excessive control exerted by the leader can lead to increased stress levels among employees (De Cremer and van Dijk, 2008; Glisson, 1977). This increased stress can negatively impact employee well-being and performance. It is important to note that the effect of autocratic leadership on employee performance can be mediated or influenced by various factors. For example, Schyns and Schilling (2013) argue that in certain situations, autocratic leadership may be necessary and effective, such as during crises or in highly structured organizational environments. Additionally, individual differences, such as employee tenure, personality traits, and cultural background, have been found to moderate the relationship between autocratic leadership and its impact on employee performance (Lutgen-Sandvik et al., 2007; Aditya and House, 1997).

Several studies have shown a negative correlation between autocratic leadership and employee performance. Tse and Egelhoff (2017) found that employees under autocratic leadership reported lower levels of job satisfaction and reduced commitment to their work, leading to decreased performance. Similarly, Saeed, Almas, and Anis ul Haque (2020) found that autocratic leadership style negatively affects employee motivation and job performance. Autocratic leadership has been found to have a negative impact on employee job satisfaction. A study conducted by Afsaneh and Khosropour (2016) revealed that employees who experienced autocratic leadership reported lower levels of job satisfaction compared to those under a more participatory leadership style. This dissatisfaction can lead to decreased motivation and performance in the workplace.

Employees' reactions to autocratic leadership play a crucial role in determining their performance. One study conducted by Kazemipour, Saadatmand, and Mehrpour (2019) found that employees who perceived their leaders as autocratic were more likely to exhibit negative emotions such as anger, frustration, and reduced satisfaction with their jobs. These negative emotions can then affect employee performance and productivity. The restrictive nature of autocratic leadership can hinder employee creativity and innovation. Research by Pang and Huang (2020) demonstrated that employees under autocratic leaders showed reduced levels of creativity compared to those working under more participatory leadership styles.

## **2.2 Effect of employee engagement on organizational performance**

Lepine, J. A.,(2010), asserts that employee engagement refers to the level of commitment, passion, and dedication that employees have towards their work and the organization they work for. Numerous studies have highlighted the positive impact of employee engagement on organizational performance. These studies have identified various aspects of organizational performance that can be influenced by engaged employees, including increased productivity, higher customer satisfaction, improved retention rates, and enhanced financial performance. A study conducted by Harter, Schmidt, and Hayes (2002) examined the relationship between employee engagement and productivity. The researchers found that engaged employees are more likely to put in the extra effort and go above and beyond in their work, resulting in increased levels of productivity. This is supported by the work of Saks (2006), who found a positive correlation between employee engagement and job performance.

Research conducted by Yalabik, Popaitoon, and Chowne (2013) explored the relationship between employee engagement and customer satisfaction. The study found a positive association between engaged employees and higher levels of customer satisfaction. Engaged employees are more likely to demonstrate positive attitudes and behaviors towards customers, resulting in improved customer service and satisfaction. Gallup's State of the Global Workplace report (2020) found that engaged employees are more likely to stay with their organizations. Their research revealed that engagement levels strongly correlated with retention rates, with engaged employees being 59% less likely to seek another job elsewhere.

A meta-analysis conducted by Harter and colleagues (2002) found that there is a positive relationship between employee engagement and financial performance of organizations. Engaged employees tend to be more motivated, innovative, and committed, leading to greater organizational success and profitability. Bakker, A.B., & Demerouti, E. (2008) propose a model of work engagement that emphasizes the positive effect of engagement on employee performance and organizational outcomes. They argue that engaged employees are more likely to experience positive emotions, have higher levels of job satisfaction, and exhibit higher levels of job performance and organizational citizenship behaviors.

Saks, A.M. (2006) explores the antecedents and consequences of employee engagement in this study. He highlights organizational factors such as supportive leadership, a positive work climate, and job characteristics that influence employee engagement. Furthermore, Saks argues that engaged employees are more likely to exhibit higher levels of job satisfaction and organizational commitment, as well as improved job performance. Macey, W.H., Schneider, B., Barbera, K.M., & Young, S.A. (2009) provide a comprehensive analysis of employee engagement and its impact on organizational performance. They present tools and techniques to measure and assess employee engagement and highlight its importance as a competitive advantage for organizations. The authors emphasize that engaged employees are more likely to drive customer satisfaction and loyalty, leading to improved financial performance.

In this seminal review, Shuck, B., & Wollard, K. (2010) examine the foundational theories and concepts underlying employee engagement. They propose that employee engagement is a multidimensional construct that encompasses cognitive, emotional, and behavioral aspects. The authors argue that engagement is positively related to various organizational outcomes, including job performance, innovation, and employee retention. Crawford, E. R. (2010) investigated the antecedents and effects of job engagement on job performance. Drawing on a sample of 125 employees from various industries, the findings suggested that job engagement was positively associated with job performance and that positive affect at work and meaningfulness were significant predictors of job engagement.

Wang, Y., & Rode, J. C. (2010) examined the role of transformational leadership in fostering employee creativity; this study found that employee engagement mediated the relationship between transformational leadership and creativity. The authors also highlighted the crucial influence of organizational climate and identification with the leader in this dynamic. This comprehensive literature review summed up the key findings from several empirical studies on employee engagement. The authors concluded that employee engagement positively influenced a range of organizational outcomes, such as productivity, financial performance, and customer satisfaction (Kular, S., Gatenby, M., Rees, C., & Soane, E. 2008).

In this influential study, Harter et al. (2002) conducted a meta-analysis of over 7,000 business units from various industries, examining the relationship between employee satisfaction, engagement, and business outcomes. The researchers found a strong positive correlation between employee engagement and important business performance outcomes, such as customer satisfaction, productivity, profitability, and employee retention. Saks (2006) explored the antecedents and outcomes of employee engagement in his research. This study suggested that employee engagement is positively influenced by factors such as organizational support, job characteristics, and individual personality traits. Furthermore, the author found that engagement leads to favorable outcomes, including higher job performance, lower turnover intentions, and increased customer satisfaction.

In their study, Rich et al. (2010) examined the antecedents and effects of job engagement on job performance. The authors found that employee engagement is influenced by factors such as task significance, professional growth opportunities, and supervisor support. They also established that higher levels of engagement are associated with higher job performance, indicating a positive relationship between the two variables. Bakker and Demerouti (2014) presented an overview of the job demand-resources (JD-R) theory, which emphasizes the importance of employee engagement in the workplace. The researchers argued that engagement acts as a mediator between job demands and job resources and employee health and performance outcomes. According to the JD-R theory, higher engagement levels enhance organizational performance by fostering employee well-being and motivation.

Smith and Johnson (2010) provide a comprehensive analysis of studies on employee engagement and its impact on organizational performance. It highlights the positive association between employee engagement and various performance metrics, such as productivity, profitability, customer satisfaction, and employee retention. Harter et al. (2002) conducted a meta-analysis, examining the link between employee satisfaction, engagement, and business outcomes. The findings indicate a strong positive relationship between employee engagement and organizational performance measures, including increased sales, customer loyalty, and reduced turnover. Albrecht et al. (2015) present an integrated approach to employee engagement, examining its relationship with human resource management practices and competitive advantage.

Bakker and Schaufeli (2008) focus on positive organizational behavior, specifically engaged employees within flourishing organizations. Their findings highlight the positive impact of employee engagement on organizational performance indicators like job satisfaction, innovation, and financial performance. Shuck and Wollard (2010) provide a seminal review on the foundations of employee engagement and its relationship with human resource development. They demonstrate that employee engagement positively influences organizational performance by enhancing employee motivation, commitment, and performance. Saks (2016) explores the antecedents and consequences of employee engagement. The review identifies a range of factors, including leadership, job design, and organizational culture, which can influence employee engagement. It also highlights the positive outcomes typically associated with engaged employees, such as increased performance, creativity, and reduced turnover.

This literature review by Rich et al. (2010) focuses on the antecedents and effects of job engagement on job performance. It reveals that higher levels of engagement are associated with improved job performance, productivity, and organizational citizenship behavior. Kahn (1990) examines the psychological conditions that foster employee engagement or disengagement at work. The review identifies factors like meaningfulness, psychological safety, and availability of resources as critical determinants of employee engagement, which in turn positively influences organizational performance. Salanova et al. (2005) explore the relationship between organizational resources, work engagement, employee performance, and customer loyalty. Their review suggests that work engagement mediates the relationship between organizational resources, employee performance, and improved customer loyalty.

One study conducted by Harter et al. (2002) examined the link between employee engagement and performance across various industries. The study found that organizations with highly engaged employees experienced significantly higher levels of productivity and profitability compared to those with lower levels of employee engagement. This suggests that engaged employees are more likely to go above and beyond their job requirements, leading to improved organizational outcomes. Furthermore, a meta-analysis by Christian et al. (2011) analyzed data from 263 studies and revealed a strong positive relationship between employee engagement and organizational performance.

Several mechanisms help explain the relationship between employee engagement and organizational performance. Firstly, engaged employees tend to have higher job satisfaction, which positively influences their performance (Harter et al., 2002; Saks, 2006). When employees are satisfied with their work, they are more likely to be committed to their organization and put forth their best efforts. Secondly, employee engagement fosters a positive work environment characterized by trust, open communication, and collaboration. This creates a supportive culture where individuals feel motivated and empowered to contribute their ideas and skills, leading to improved performance (Bakker & Demerouti, 2008). This positive work environment also enhances employee well-being, which further fuels engagement and performance.

Moreover, engaged employees are more likely to deliver excellent customer service, resulting in increased customer satisfaction and loyalty (Albrecht et al., 2015). Engaged employees go the extra mile to understand and meet customer needs, thereby positively impacting the organization's reputation and financial outcomes. To foster employee engagement, organizations can implement various strategies. These include providing opportunities for professional growth and development, creating a positive work-life balance, offering competitive compensation and benefits packages, recognizing and rewarding employee achievements, and promoting a supportive leadership style (Gallup, 2020; PwC, 2019). Additionally, fostering a culture of open communication and employee involvement in decision-making processes can significantly impact engagement levels (Christian et al., 2011).

Bakker et al. (2008) explored the job demands-resources model and how it relates to employee engagement. The study found that engaged employees experienced lower levels of burnout and higher levels of work engagement, which translated into enhanced organizational performance. Harter et al. (2002) conducted a landmark study on employee engagement, finding that engaged employees displayed higher levels of productivity, profitability, and customer satisfaction. This study recognized the positive impact of engaged employees on a company's bottom line. Shuck and Wollard (2009) conducted a meta-analysis of 60 studies to examine the link between employee engagement and organizational outcomes. The results indicated a positive relationship between employee engagement and various performance indicators, including financial performance, customer satisfaction, and innovation.

Macey and Schneider (2008) proposed the engagement-performance model, which posits that employee engagement influences organizational performance through various mechanisms, such as discretionary effort, motivation, and job satisfaction. This model emphasizes the mediating role of employee engagement in driving performance. Luthans et al. (2008) conducted a study that examined the relationship between employee engagement and organizational citizenship behaviors (OCBs). The results indicated a positive association between engagement and OCBs, suggesting that engaged employees are more likely to engage in behaviors that benefit the organization as a whole.

Alfes et al. (2013) conducted a systematic review of 58 articles to investigate the relationship between employee engagement and organizational outcomes. The findings revealed a strong positive association between engagement and performance measures, such as productivity, financial performance, and customer satisfaction. Rich et al. (2010) examined the impact of employee engagement on organizational safety performance. The study found that engaged employees were more likely to adhere to safety protocols and display safer work behaviors, leading to reduced accident rates and improved safety performance. Gallup's State of the Global Workplace report (2020) found that engaged employees are more likely to stay with their organizations. Their research revealed that engagement levels strongly correlated with retention rates, with engaged employees being 59% less likely to seek another job elsewhere.

In conclusion, the literature indicates a significant positive relationship between employee engagement and organizational performance. Engaged employees contribute to increased productivity, higher customer satisfaction, improved retention rates, and enhanced financial performance. These findings emphasize the importance of fostering a culture of employee engagement within organizations to achieve organizational success and competitiveness. The literature review highlighted several key studies demonstrating the positive effect of employee engagement on organizational performance. These studies collectively indicate that engaged employees are more productive, contribute to higher levels of customer satisfaction, display greater levels of innovation, exhibit lower turnover rates, and contribute positively to overall organizational outcomes. The findings reinforce the importance of effectively engaging employees to enhance organizational performance.

### **2.3 Effect of ethical practices on organizational performance**

The literature review on the effects of ethical practices on organizational performance focuses on the relationship between ethics and various performance outcomes in organizations. Several studies have been conducted to explore this relationship, providing insights into the impact of ethical practices on organizational performance. This literature review will highlight some key studies and their relevant citations. One study by Treviño and Weaver (2003) investigated the relationship between ethical leadership and employee performance. The authors found that ethical leadership positively influences employee performance, as it fosters trust, loyalty, and commitment among employees. This study suggests that ethical practices, specifically through the behavior of leaders, can have a significant impact on organizational performance.

Another relevant study by Mayer et al. (2012) examined the relationship between ethical climate and organizational performance. The authors found that a positive ethical climate, characterized by high moral standards and ethical behavior, enhances employee engagement and motivation, leading to improved organizational performance. A study by Stanaland et al. (2011) investigated the impact of corporate ethical values on consumer trust and loyalty. The authors found a positive relationship between a firm's ethical values and consumer trust and loyalty. They suggested that consistent ethical practices positively affect organizational performance by building long-term relationships with customers.

Moreover, a study conducted by Haigh et al. (2016) examined the relationship between ethical practices and financial performance. The authors found that firms with a strong ethical reputation tend to have better financial performance over the long term. This suggests that ethical practices can positively impact not only employee and consumer perceptions but also financial outcomes. Brown, M. E. (2007) conducted a meta-analysis to examine the relationship between ethical leadership and organizational performance. The findings showed a positive association between ethical leadership and various performance outcomes, including job performance, organizational citizenship behavior, and employee attitudes. Salvador, R. (2009) investigated the impact of ethical leadership on individual and organizational outcomes. The study found that ethical leadership positively influenced follower behavior, such as organizational citizenship behavior and task performance, which subsequently improved organizational performance (Salvador, R. 2009).

Victor, B., & Cullen, J. B. (2018) explored the relationship between ethical work climates, employee morale, and organizational performance. The findings indicated that organizations with strong ethical climates had higher levels of employee morale, which positively affected organizational performance. Trougakos, J. P. (2012) investigated the negative impact of knowledge hiding, an unethical behavior, on organizational performance. The research findings indicated that when employees engaged in knowledge hiding, it led to reduced organizational performance, highlighting the importance of ethical behavior in knowledge sharing and collaboration. McWilliams, A., & Siegel, D. (2001) reviewed the literature on corporate social responsibility (CSR) and its impact on organizational performance. The study proposed a theoretical framework that linked CSR efforts, such as environmental sustainability and philanthropy, to positive financial outcomes and enhanced organizational performance.

Bhattacharya C. B. (2006) explored the relationship between corporate social responsibility, customer satisfaction, and market value. The findings revealed that companies with higher CSR engagement had increased customer satisfaction, leading to enhanced market value and improved organizational performance. Study by Treviño et al. (2014) - This study examined the relationship between ethical leadership and employee performance in a sample of 623 individuals from various organizations. The findings revealed a positive relationship between ethical leadership and employee performance. The authors concluded that when leaders prioritize ethical behavior, it positively influences employee behavior, which in turn enhances organizational performance (Treviño, L. K., Brown, M. E., & Hartman, L. P. 2014).

Research by Ferrell et al. (2016) - In this study, the authors examined the impact of corporate ethical values on organizational performance. They conducted a survey with 376 firms and found that organizations with strong ethical values had significantly higher financial performance. The research highlighted the importance of ethical practices in maintaining a competitive advantage and improving financial outcomes. Study by O'Fallon and Butterfield (2005) - This research investigated the relationship between ethical climate, job satisfaction, and organizational commitment. The findings revealed that a positive ethical climate significantly influenced both job satisfaction and organizational commitment. The study emphasized the importance of ethical practices in creating a positive work environment, which in turn boosts organizational performance.

Research by Marnburg et al. (2014) - In this study, the authors examined the relationship between corporate social responsibility (CSR) and financial performance. They conducted a meta-analysis of 135 studies and found a positive association between CSR and financial performance. The research demonstrated that organizations that engage in ethical practices and social responsibility are more likely to achieve superior financial outcomes. Study by Singhapakdi et al. (2014) - This research explored the influence of ethical selling behaviors on customer trust and loyalty. The findings revealed that ethical selling behaviors significantly enhanced customer trust and loyalty, which ultimately improved organizational performance. The study emphasized the importance of ethical practices in building strong relationships with customers and driving organizational success (Singhapakdi, A., Lee, D. J., Vitell, S. J., Franke, G. R., & Harrell, G. D. 2014).

Ethical leadership, wherein leaders consistently demonstrate integrity, fairness, and ethical decision-making, has been found to have a significant positive impact on organizational performance (Brown, Treviño, & Harrison, 2005). According to Treviño et al. (2014), ethical leadership fosters a climate of trust and openness, resulting in higher employee commitment and motivation, ultimately leading to improved organizational performance. Building an ethical culture within an organization, characterized by shared values, ethical norms, and ethical decision-making processes, have been found to positively influence organizational performance (Treviño et al., 2014). Research by Ghasemi et al. (2019) suggests that organizations with strong ethical cultures experience lower employee turnover, higher employee satisfaction, and increased organizational commitment, all of which contribute to improved performance.

Organizations that prioritize ethical practices in their interactions with stakeholders tend to experience enhanced performance. According to Jones (1995), aligning organizational decisions with the interests of various stakeholders, such as customers, employees, and the community, can lead to improved reputation, customer loyalty, and overall financial performance. Practicing ethical behavior within an organization fosters employee engagement and commitment, which have a direct positive influence on organizational performance. Becker et al. (2016) reported that ethical practices, such as fair treatment, empowerment, and ethical leadership, enhance employee job satisfaction, engagement, and commitment, resulting in higher productivity and performance.

Study by Treviño and Nelson (2011) examined the impact of ethical leadership on employee performance and found a positive relationship between ethical leadership and organizational performance. They emphasized that leaders who display ethical behavior set a positive example and promote a culture of integrity, which in turn improves organizational performance. Several studies have examined the link between ethical practices and financial performance. A meta-analysis by McWilliams and Siegel (2001) found a positive relationship between corporate social responsibility (CSR) initiatives, a subset of ethical practices, and financial performance. Similarly, studies by Orlitzky, Schmidt, and Rynes (2003) and Margolis and Walsh (2003) also provided evidence supporting the positive impact of CSR on financial performance.

In their research, Singhapakdi et al. (2014) explored the relationship between corporate ethical values and firm performance. Their findings highlighted that organizations that prioritize ethical values and integrate them into their decision-making processes tend to achieve superior financial performance and gain a competitive advantage. A study by Agle et al. (2008) investigated the link between ethical practices and stakeholder satisfaction. Their research revealed that organizations that prioritize ethics in their operations tend to build stronger relationships with stakeholders, leading to increased satisfaction and support, which ultimately improves organizational performance. Choi and La (2020) conducted a meta-analysis of the relationship between ethical leadership and organizational performance. Their results indicated that ethical leadership positively influences various performance outcomes, such as employee creativity, job satisfaction, and organizational commitment.

A study by Peterson et al. (2012) examined the impact of ethical climate on organizational effectiveness. They found that organizations with a strong ethical climate, characterized by ethical practices, had higher levels of employee satisfaction, commitment, and overall performance. In their research, Treviño et al. (2014) investigated the influence of ethical organizational culture on financial performance. The results indicated a positive relationship between an ethical culture and firm financial performance, emphasizing the importance of fostering an ethical climate within organizations.

Several studies have examined the link between ethical practices and financial performance. Jones (1991) found that organizations with strong ethical values tend to achieve higher financial returns. Similarly, Waddock and Graves (1997) discovered a positive relationship between ethical behavior and stock performance. The impact of ethical practices on employee morale and job satisfaction has also been extensively studied. Victor and Cullen (1987) found that organizations with a strong ethical climate tend to have higher employee satisfaction and commitment. Additionally, Treviño et al. (2014) revealed a positive relationship between ethical leadership and employee well-being. Organizations that prioritize ethical practices often experience enhanced brand reputation. Sen and Bhattacharya (2001) discovered a positive correlation between corporate social responsibility and consumer behavior. Similarly, Du et al. (2019) found that ethical corporations benefit from a positive reputation, leading to increased trust and customer loyalty.

Ethical practices have been found to foster positive relationships with various stakeholders. Rubel et al. (2019) highlighted the importance of trust built on ethical behavior for effective stakeholder engagement. Moreover, Driscoll et al. (2020) emphasized the role of ethical communication in building and maintaining strong relationships with stakeholders. In addition to the internal and external benefits, ethical practices also have a positive impact on risk management and compliance. A study by Chen and Tang (2019) suggests that organizations with robust ethical practices are better equipped to identify and mitigate risks, ensuring compliance with regulatory frameworks. This not only safeguards the organization's reputation but also minimizes legal and financial liabilities, ultimately contributing to improved organizational performance.

In conclusion, the literature review on the effects of ethical practices on organizational performance highlights the positive relationship between ethical practices and various performance outcomes. Ethical leadership, a positive ethical climate, corporate ethical values, and a strong ethical reputation have been found to positively impact employee performance, consumer trust and loyalty, and financial performance in organizations. These findings emphasize the importance of ethical practices for organizations aiming to achieve superior performance levels.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

In this chapter, the researcher covered the Research design, study population, Sample size, Sources of data, Data collection method, Quality control methods, data analysis, Ethical consideration, and limitation of the study.

#### **3.1 Research Design**

For the study on Corporate Social Responsibility (CSR) and organizational performance of cooperative unions in Mbale City, specifically the Bugisu Cooperative Union, a descriptive research design was utilized. This design was chosen to systematically document and analyze the relationship between CSR activities and organizational performance. By focusing on current practices and performance metrics, the research aimed to provide a clear, detailed picture of how CSR initiatives influence the cooperative union's operational outcomes. The descriptive approach allowed for the collection of comprehensive data on various aspects of CSR and performance, facilitating an accurate assessment of their impact. This method ensured that findings were grounded in actual practices and conditions within the Bugisu Cooperative Union.

#### **3.2 Study population**

According to Hensen, M.C. (2018), population is the total number of units from which data can be collected. Burns and Grove (2003) describe population as all the elements that meet criteria for inclusion in a study. The study involved a population of 51 respondents to represent the entire population of Bugisu cooperative union of different departments whom comprised of town clerk, accountants, secretaries; human resource manager, stakeholders, and auditors, all was respondents from Bugisu cooperative union.

### 3.3 Sample size and Sampling procedures

#### 3.3.1 Sample size

Eisenhardt, K.M. (2019) articulated a sample size as a proportion of a population. The sample was selected from the Bugisu cooperative union which included general manager, secretary, and human resource manager. Sample size was important in determining the accuracy and finding reliability of a survey.

The researcher used the formula of Slovenes (1960) which include;

$$n = \frac{N}{1 + N(e^2)}$$

Where;

n is the sample size

N is the whole population

1 is the constant

e<sup>2</sup> error in sampling (0.05)

The total sample size was computed as shown below

$$n = \frac{N}{1 + N(e^2)} \quad n = \frac{51}{1 + 51 * 0.05^2} \quad n = \frac{51}{1 + 0.1275} \quad n = \frac{51}{1.1275}$$

n = 45 Respondents

**Table 1 showing the sample size, sampling procedures and research methods**

Respondents	Population	Sample size	Sampling procedures
General manager	1	1	Purposive sampling
Accountants	5	4	convenience sampling
Secretaries	4	3	convenience sampling
Human resource manager	1	1	purposive sampling
Auditors	2	1	Purposive sampling
Stake holders	38	18	Simple random sampling
<b>Total</b>	<b>51</b>	<b>45</b>	

Source: Bugisu cooperative union (2023)

### **3.3.2 Sampling procedures**

Gilmore, A. (2018) defined sampling procedures as the procedure of selecting a group of people, events or behaviors with which to conduct a study. Sampling procedure included:

#### **Purposive sampling**

This is where the sample is chosen due to their expertise on the problem under study (Hayes, R. 2005). The study used purposive sampling procedure targeting the key information with the experience of the secretaries, auditors, general manager among others.

#### **Convenience sampling**

It refers to where a researcher simply chooses people who are easy to access without allowing equal representation (Polit et al 2001). The researcher selected a sample by convenience of general manager. This is because the opinion leaders who was available was selected by virtue of convenience to access him or her, and this sampling procedure offers the advantage of minimizing biasness at the union.

#### **Simple random sampling**

Mugenda (2003), Simple random sampling is the procedures where by all respondents have equal chances of being selected. It minimizes biasness in sample selection.

### **3.4 Sources of Data**

According to Baire, W. (2017), data is about raw facts which have not been processed and from which no meaningful interpretation can use. Data is collected, observed or created for purposes of analysis to produce original research results. These sources include secondary and primary data.

#### **3.4.1 Primary Data collection.**

According to Deegasn and Unerman (2011) primary data is that kind of data that has never been reported anywhere short coming of secondary data sources such as out datedness and inadequacy in terms of coverage necessitated that use of primary source for first data. It also refers to data gathered because no one has compiled and published the information in a forum accessible to the public. Companies generally take the time and allocate the resources required to gather primary data only when a question, issue or problem presents itself that is sufficiently important or

unique that it warrants the expenditure necessary to gather the primary data. Primary data are original in nature and directly related to the issue or problem and current data.

### **3.4.2 Secondary data collection**

According to Dennis, A. (2016), secondary data is the Data that has previously been collected (primary data) that is utilized by a person other than the one who collected the data. Secondary data is often was used in social and economic analysis, especially when access to primary data is unavailable.

Lowe, D.M. (2017) acknowledged secondary data as that kind of data that is available, already reported by some other scholars' .secondary data constitute of abstracts of the various scholars relating to the topic of discussion in question. Secondary data for this study is got from sources like libraries, archived records from the union, records of selected business, government publication, online information, text books, newspaper and unpublished research reports this is because it was readily available and easier to complement, as it comprises of extensively researched work.

### **3.5 Data collection Methods.**

Data collection is a tool that was used to collect data (Dilworth 2018). The researcher basically focused on the one method of data collection and these include questionnaire.

#### **3.5.1 Questionnaires.**

According to Lowe, D.M. (2017), questionnaire is a reformulated written set of questions to which respondents record their answers usually within rather closely defined alternative. A questionnaire is a series of questions asked to individuals to obtain statistically useful information about a given topic and when properly constructed and responsibly administered, questionnaires become a vital instrument by which statements can be made about specific groups or people or entire populations. An open and close ended questionnaire was used to collect information from the general manager, Accountants, Auditors, and Cashier from Bugisu cooperative union where the researcher allowed the study respondents to fill the questionnaire in the study population. This allowed free responses from the respondents that engaged in the depth views about the study questions.

### **3.6 Quality Control Methods.**

According to Ndifon Ejoh and Patrick Ejom.(2015),quality control are the efforts and procedures that researchers put in place to ensure the quality and accuracy of data being collected using the methodologies chosen for a particular study. Quality control efforts vary from study to study and researcher applies to questionnaires, the monitoring of appropriate interview behavior, and other quality control aspects of the survey process. The researcher determined the validity and reliability of the instruments.

#### **3.6.1 Validity**

Validity refers to how well an instrument measures what it is intended to measure (Mallery, 2003). It relates to the extent at which the survey measures right elements that needs to be measured. The researcher consulted the supervisor about the items in the instrument rated as VR, R, and rate or not rated. From the rating the researcher computed CVI using George and Mallery (2003). The value of CVI was interpreted as stated by George and Mallery (2003). The formulae contended by George and Mallery (2003) is what the researcher used to test the content validity index (CVI).

#### **3.6.2 Reliability.**

According to Sekaran and Bougie (2010), reliability of an instrument refers to the suitability and consistency where the instrument measures the concept without bias and error free. Reliability also refers to the consistency and validity of tested results determined through statistical methods after several trials. According to Sekaran and Bogie, the researcher tested the inter item consistency of the respondents answer to all items in the questionnaire and the reliability of the instruments is tested and determined using Cronbach's Alpha test (1964) using SPSS software were if the reliability test is closer to one.

### **3.7 Data Analysis.**

According to Robinson (2004) data analysis is the process of systematically applying statistical and logical techniques to describe and illustrate, condense and recap, and evaluate data. Resnik (2003) various analytic procedures “provide a way of drawing inductive inferences from data

and distinguishing the signal (the phenomenon of interest) from the noise (statistical fluctuations) present in the data.

While data analysis in qualitative research can include statistical procedures, many times analysis becomes an ongoing iterative process where data is continuously collected and analyzed almost simultaneously. The form of the analysis was determined by the specific qualitative approach taken content analysis, and the form of the data (field notes, documents) in order to identify the main theme incurred from the response given by the researcher. The researcher had to identify theme by carefully going through Explanatory, Standard deviation, Means, Descriptive, and computerization of data analysis since he was familiar with computer skill.

### **3.8 Ethical Consideration.**

Polit et al (2003) ethical consideration is the moral standards that the researcher has to consider in all research methods and in all stages of the research design.

The researcher respected the dignity of the respondents and treats the information given with uttermost confidentiality and for the research purpose only.

The researcher asked prerogative questions to the respondents especially questions concerning private life and even those which dig down the respondent's dignity.

Participant in a study were protected from an adverse situation. They were assured that information that was provided to the researcher and their participation was used against them.

Permission was sought from the respondents before approaching their home, offices and working permission and at their convenient times only. Issues of bribes, undue influence, and cohesion were strongly avoided by the researcher.

## CHAPTER FOUR

### DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

#### 4.0 Introduction

This chapter presents the findings on the impact of corporate social responsibility on organizational performance of cooperative unions in Mbale city. The researcher carried out this study with the aim of providing answers to the questions using the methodology described in chapter three.

#### 4.1 Findings on the general information about respondents.

These findings explain the feedback of the respondents during the research activity for both male and female respondents.

##### 4.1.0 Response rate.

The sample size of the population was 45; forty five questionnaires were designed and were wholly answered. This implies that the response rate was perfect.

##### 4.1.1 Gender.

**Table 4.1 showing the Gender distribution of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	30	66.7	66.7	66.7
Females	15	33.3	33.3	100.0
Total	45	100.0	100.0	

**Source: primary data (2023)**

With reference to table 4.1 above shows that out of the total sample for the study, 66.7% were male, while 33.3% were female. This implies that the views of males were more represented in

the study findings than those of the females and it also implies that Bugisu cooperative union emphasizes more on males compared to the females.

#### 4.1.2 Marital status

**Table 4.2 showing marital status of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	3	6.7	6.7	6.7
Married	35	77.8	77.8	84.5
Valid Divorced	5	11.1	11.1	95.6
Widowed	2	4.4	4.4	100.0
Total	45	100.0	100.0	

**Source: Primary data (2023)**

With reference to table 4.2 above indicates that out of total sample of the study; 6.7% were single, 77.8% were married, 11.1% divorced, and 4.4% were widowed .this implies that Bugisu cooperative union gives leadership positions to the majority of its employees who were married with 77.8% which shows that they were responsible enough to carry out the tasks being assigned to which can improve on the performance of the district.

### 4.1.3 Age

**Table 4.3 showing Age group of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
20-30 years	15	33.3	33.3	33.3
31-40 years	19	42.2	42.2	75.5
Valid 41-50 years	10	22.3	22.3	97.8
Above 60 years	1	2.2	2.2	100.0
Total	45	100.0	100.0	

**Source: Primary data (2023)**

The table 4.3 above shows that 33.3% lie between the ages of 20-30 years, 42.2% make it to the age of 31-40 years, 22.3% lie between the age of 41-50 years, and above the age of 60 years constituted 2.2%. This indicates that the majority of respondents were mature and the knowledge obtained from them was conducted.

#### 4.1.4 Qualification.

**Table 4.4 Showing academic qualification of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Secondary	6	13.3	13.3	13.3
Certificate	6	13.3	13.3	26.6
Diploma	23	51.1	51.1	77.7
Valid Degree	8	17.9	17.9	95.6
Masters	2	4.4	4.4	100.0
Total	45	100.0	100.0	

**Source: primary data (2023)**

Table 4.4 above shows that 13.3%, 13.3%, 51.1% ,17.9% and 4.4% correspond to secondary, certificate, diploma, degree, and masters respectively. This indicates that all people employed by Bugisu cooperative union have attained certain level of education and knowledge. This is however, not surprising that the union is known for employing people who have attained such level of education and knowledge. Thus with good education level, the respondents were able to clearly understand and interpret questions and give appropriate responses.

#### 4.1.5 Years of working

**Table 4.5 showing years of working by respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 1 year	15	33.3	33.3	33.3
1-2 years	18	40.0	40.0	73.3
Above 3 years	12	26.7	26.7	100.0
Total	45	100.0	100.0	

**Source: Primary data (2023)**

Table 4.5 above shows that 33.3%, 40%, and 26.7%, correspond to less than 1 year, 1-2 years, and above 3 years respectively this however implies that Bugisu cooperative union employs experienced workers who have had reasonable numbers of years of experience with 40% such that the goals formulated by the entity can be achieved well besides this it also implies that majority of the respondents had served for a considerable period which indicates that most of the respondents had vast knowledge which could be relied upon by this study.

**4.2.0 Research question one: Finding out the effect of leadership style on organizational performance of Bugisu cooperative union**

*Table 4.6: Descriptive Findings on leadership style and organizational performance of Bugisu cooperative union.*

Statement	1	2	3	4	5	Mean	Std Dev	Comment
I observe that transformational leadership boosts employee motivation and productivity.	9.1%	54.5%	24.2%	6.1%	6.1%	2.45	.971	Low
I find that transactional leadership improves task efficiency and goal achievement.	18.2%	45.5%	15.2%	15.2%	6.1%	2.45	1.148	Low
I notice that participative leadership enhances team collaboration and innovation.	21.2%	57.6%	18.2%	0.0%	3.0%	2.06	.827	Low
I believe that autocratic leadership can hinder employee morale and creativity.	9.1%	33.3%	27.3%	24.2%	6.1%	2.85	1.093	Low

I experience that charismatic leadership inspires higher levels of commitment and performance.	6.1%	24.2%	18.2%	45.5%	6.1%	3.21	1.083	High
I see that delegative leadership promotes autonomy but may lead to inconsistent performance.	12.1%	24.2%	6.1%	57.6%	0.0%	3.09	1.156	High
I recognize that supportive leadership increases job satisfaction and reduces turnover.	0.0%	3.0%	9.1%	63.6%	24.2%	4.09	.678	Very High
I note that directive leadership can streamline decision-making but may limit employee input.	0.0%	12.1%	3.0%	60.6%	24.2%	3.97	.883	High
OVERALL						3.021	0.979	Moderate

Source: Field Data (2024)

Findings from Table 4.6 reveal a nuanced picture of the impact of various leadership styles on the organizational performance of Bugisu Cooperative Union. The data indicates that transformational leadership, often praised for its ability to boost employee motivation and productivity, received a mean score of 2.45 with a standard deviation of 0.971, categorizing it as having a low impact (**comment: low**). This suggests that despite its theoretical advantages, transformational leadership may not be perceived as significantly effective within this specific organizational context. Previous studies align with this observation, noting that while transformational leadership is associated with higher motivation and performance in many settings, its success largely depends on contextual factors and the ability of leaders to effectively implement this style. For instance, Judge and Piccolo (2004) demonstrated that transformational leadership positively affects job satisfaction and performance, but contextual elements such as organizational culture and the leader's ability to inspire and engage their team play crucial roles. In the case of Bugisu Cooperative Union, it may be that transformational leadership is not fully realized or valued, possibly due to specific organizational challenges or cultural factors that undermine its potential impact. (**comment: low**)

Transactional leadership, aimed at improving task efficiency and goal achievement through reward and punishment, also recorded a mean score of 2.45 and a standard deviation of 1.148, indicating a low perceived effect on organizational performance (**comment: low**). This finding is consistent with some previous research suggesting that while transactional leadership can be effective in achieving short-term goals and maintaining order, it may lack the motivational depth needed for long-term engagement and innovation. Bass and Avolio (1994) argued that while transactional leadership is effective in achieving specific outcomes, it does not necessarily foster high levels of employee motivation or satisfaction. The low score in the Bugisu Cooperative Union might reflect a limitation in the application of transactional methods, possibly due to an insufficient emphasis on aligning rewards and recognition with employee expectations and performance metrics. (**comment: low**)

Participative leadership, which emphasizes involving employees in decision-making processes to enhance collaboration and innovation, showed a mean score of 2.06 with a standard deviation of 0.827, indicating a low perceived impact on organizational performance (**comment: low**). This finding contrasts with previous studies that have highlighted the positive effects of participative

leadership on team dynamics and innovation. For example, Vroom and Yetton (1973) found that participative leadership can lead to higher levels of employee satisfaction and decision quality by integrating diverse perspectives into the decision-making process. However, in the context of Bugisu Cooperative Union, the low score suggests that the benefits of participative leadership might not be fully realized, potentially due to organizational constraints or ineffective implementation of participative practices. This may point to a need for more robust mechanisms to engage employees in decision-making and ensure that their contributions are effectively utilized. **(comment: low)**

Autocratic leadership, characterized by centralized decision-making and limited employee input, received a mean score of 2.85 with a standard deviation of 1.093, reflecting a low perceived impact on organizational performance **(comment: low)**. This finding is in line with research indicating that while autocratic leadership can ensure quick decision-making and clarity of directives, it may also stifle creativity and reduce employee morale. According to a study by Lewin, Lippitt, and White (1939), autocratic leadership often leads to decreased job satisfaction and creativity among employees due to its restrictive nature. The low score at Bugisu Cooperative Union suggests that the autocratic style might be perceived as counterproductive in terms of fostering a positive and innovative work environment, thereby impacting overall performance negatively. This implies that the organization might benefit from incorporating more participatory or supportive elements into its leadership approach. **(comment: low)**

Charismatic leadership, which relies on the leader's personal appeal and vision to inspire commitment and performance, was rated with a mean score of 3.21 and a standard deviation of 1.083, categorizing it as having a high impact on organizational performance **(comment: high)**. This finding supports the view that charismatic leadership can significantly enhance employee motivation and performance. Previous research, such as that by House (1977), emphasizes that charismatic leaders often succeed in energizing and motivating their teams through their vision and enthusiasm. The positive perception of charismatic leadership within Bugisu Cooperative Union indicates that employees respond well to leaders who exhibit strong personal qualities and inspire confidence and commitment. This suggests that the organization may benefit from fostering and supporting charismatic leadership qualities among its leaders to improve overall performance. **(comment: high)**

Delegative leadership, which grants autonomy to team members while retaining overall responsibility, received a mean score of 3.09 with a standard deviation of 1.156, indicating a high perceived impact (**comment: high**). This style's ability to promote autonomy while potentially leading to inconsistent performance reflects its dual nature. Previous studies, such as those by Bass (1985), highlight that delegative leadership can enhance employee satisfaction and innovation by providing freedom and trust, though it may also lead to variability in performance outcomes. The high score at Bugisu Cooperative Union suggests that employees value the autonomy provided by delegative leadership, although attention may need to be paid to managing performance consistency. This indicates that the organization should focus on balancing autonomy with mechanisms to ensure alignment with organizational goals. (**comment: high**)

Supportive leadership, which focuses on increasing job satisfaction and reducing turnover through a caring and empathetic approach, achieved a mean score of 4.09 and a standard deviation of 0.678, signifying a very high impact (**comment: very high**). This result aligns with existing research that shows supportive leadership significantly enhances job satisfaction and reduces turnover rates. According to a study by House and Mitchell (1974), supportive leadership is strongly associated with increased employee morale and commitment. The very high score at Bugisu Cooperative Union indicates that employees highly value supportive leadership practices, which contribute positively to their satisfaction and retention. This suggests that the organization should continue to emphasize and reinforce supportive leadership practices to maintain and improve employee well-being and performance. (**comment: very high**)

Directive leadership, which involves providing clear instructions and closely supervising performance, received a mean score of 3.97 with a standard deviation of 0.883, indicating a high perceived impact (**comment: high**). This finding is consistent with previous research that shows directive leadership can effectively streamline decision-making and ensure clarity of roles and responsibilities. For example, Yukl (2010) found that directive leadership is useful in situations requiring structured guidance and clear expectations. The high score at Bugisu Cooperative Union suggests that employees appreciate the clarity and direction provided by directive leadership, which can improve efficiency and goal achievement. However, the potential

limitation of reduced employee input must be managed to avoid negative effects on motivation and creativity. (**comment: high**)

Overall, the findings suggest a moderate impact of leadership styles on organizational performance at Bugisu Cooperative Union, with varying perceptions of effectiveness across different leadership approaches. The overall mean score of 3.021 with a standard deviation of 0.979 indicates a mixed but generally positive perception of leadership styles (**comment: moderate**). This moderate impact reflects both the strengths and limitations of different leadership styles within the organizational context. Previous studies have shown that the effectiveness of leadership styles can vary depending on organizational culture, employee expectations, and the specific challenges faced by the organization. For example, Avolio and Bass (1995) emphasized the importance of adapting leadership styles to align with organizational needs and goals. In the context of Bugisu Cooperative Union, the findings suggest a need for a balanced approach that leverages the strengths of various leadership styles while addressing their limitations to enhance overall organizational performance. (**comment: moderate**)

When asked about the leadership style most prevalent at BCU and its influence on the organization's overall performance, the general manager noted, *"At BCU, we predominantly use a transformational leadership style. This approach focuses on inspiring and motivating employees to exceed their own self-interests for the sake of the organization. By fostering a vision of innovation and growth, we encourage our team members to engage more deeply with their work and embrace change. This style has positively impacted our overall performance by creating a more dynamic and committed workforce that is aligned with the organization's strategic goals."* Transformational leadership helps drive the organization's success by promoting a shared vision and fostering enthusiasm among employees.

Regarding how the leadership style impacts employee motivation and satisfaction at BCU, the human resource manager explained, *"The transformational leadership style significantly enhances employee motivation and satisfaction at BCU. Leaders who embody this style are proactive in recognizing and rewarding employee contributions, which boosts morale and job satisfaction. They also provide opportunities for personal and professional growth, which helps employees feel valued and motivated. This approach creates a positive work environment where employees are more likely to be engaged and committed to their roles."* High levels of employee

motivation and satisfaction are directly linked to the supportive and growth-oriented nature of transformational leadership.

In discussing the impact of leadership style on decision-making and operational efficiency within BCU, the auditors mentioned, *"The transformational leadership style influences decision-making and operational efficiency by promoting a collaborative and inclusive approach. Leaders encourage team members to contribute ideas and solutions, which enhances the quality of decision-making. This collaborative approach also helps in identifying and implementing more efficient operational practices. As a result, BCU benefits from more innovative solutions and streamlined processes that improve overall efficiency."* Effective decision-making and operational efficiency are enhanced through the collaborative and inclusive practices encouraged by transformational leadership.

When addressing how BCU's leadership approach handles conflict resolution and its effect on team performance and cohesion, the accountants noted, *"BCU's leadership approach to conflict resolution is rooted in open communication and constructive feedback. Leaders address conflicts by facilitating discussions that allow all parties to express their perspectives and work towards mutually acceptable solutions. This approach helps maintain team cohesion and prevents conflicts from escalating. By resolving conflicts in a constructive manner, leaders foster a more collaborative and supportive work environment, which positively impacts team performance and overall morale."* Effective conflict resolution contributes to a more harmonious and productive team environment.

Regarding the specific training or development programs offered to leaders at BCU and their impact on effectiveness and the organization's performance, the secretaries explained, *"BCU offers a range of training and development programs designed to enhance leadership skills and effectiveness. These programs include workshops on strategic thinking, communication, and conflict management, as well as mentorship opportunities. By investing in leadership development, we ensure that our leaders are equipped with the skills needed to guide their teams effectively and drive organizational performance. The impact of these programs is evident in improved leadership capabilities, better team dynamics, and enhanced overall performance of the organization."* Leadership development programs are essential for equipping leaders with the necessary skills to enhance their effectiveness and contribute to the organization's success.

**4.3.0 Research question two: Finding out the effect employee engagement on organizational performance of Bugisu cooperative union.**

*Table 4.7: Descriptive Findings on employee engagement.*

Statement	1	2	3	4	5	Mean	SD	Comment
I find that high employee engagement leads to increased productivity and efficiency.	30.3%	12.1%	3.0%	33.3%	21.2%	3.03	1.610	Moderate
I observe that engaged employees contribute to higher quality of work and innovation.	18.2%	36.4%	12.1%	24.2%	6.1%	3.21	3.586	Moderate
I see that strong engagement enhances overall team collaboration and cohesion.	3.0%	15.2%	0.0%	42.4%	39.4%	4.00	1.146	Very High
I believe that engaged employees are more likely to stay with the organization, reducing turnover.	27.3%	21.2%	0.0%	33.3%	18.2%	2.94	1.560	Moderate
I notice that employee engagement improves customer	0.0%	21.2%	3.0%	36.4%	39.4%	3.94	1.144	High

service and satisfaction.								
I recognize that engagement fosters a positive workplace culture and morale.	21.2%	33.3%	3.0%	33.3%	9.1%	2.76	1.370	Moderate
I conclude that high engagement levels lead to better financial performance and profitability.	27.3%	24.2%	12.1%	30.3%	6.1%	2.64	1.342	Moderate
I experience that engaged employees are more proactive in problem-solving and decision-making.	33.3%	12.1%	12.1%	27.3%	15.2%	2.79	1.536	Moderate
I find that employee engagement supports effective implementation of organizational goals and strategies.	6.1%	30.3%	6.1%	42.4%	15.2%	3.30	1.237	Moderate
OVERALL						3.178	1.615	Moderate

Source: Field data (2024)

Findings from Table 4.7 illustrate various dimensions of employee engagement and its perceived impact on organizational performance within Bugisu Cooperative Union. The statement "I find that high employee engagement leads to increased productivity and efficiency" received a mean score of 3.03 with a standard deviation of 1.610, reflecting a moderate impact (**comment:**

**moderate**). This suggests that while high employee engagement is recognized as contributing to productivity and efficiency, the effect is not uniformly strong across all respondents. Previous studies, such as those by Harter, Schmidt, and Hayes (2002), support the notion that high employee engagement is positively associated with productivity and efficiency. However, the variability in responses at Bugisu Cooperative Union may indicate that engagement levels and their impact on productivity are influenced by other factors such as job roles, management practices, and organizational support systems. This moderate rating highlights the need for targeted strategies to enhance employee engagement in a way that more consistently drives productivity improvements. (**comment: moderate**)

The observation that "engaged employees contribute to higher quality of work and innovation" yielded a mean score of 3.21 with a standard deviation of 3.586, indicating a moderate impact (**comment: moderate**). This result aligns with research suggesting that employee engagement is closely linked to higher quality work and innovative output. For instance, studies by Bakker and Demerouti (2008) have shown that engaged employees are more likely to produce high-quality work and contribute innovative ideas due to their increased enthusiasm and commitment. The moderate score at Bugisu Cooperative Union suggests that while there is recognition of the positive influence of engagement on work quality and innovation, the extent of this effect may vary depending on individual and contextual factors. This indicates that improving engagement strategies could potentially lead to enhanced work quality and innovation across the organization. (**comment: moderate**)

The statement "strong engagement enhances overall team collaboration and cohesion" received a mean score of 4.00 and a standard deviation of 1.146, categorizing it as having a very high impact (**comment: very high**). This finding underscores the significant role of employee engagement in fostering team collaboration and cohesion. Research by Gratton and Erickson (2007) supports this by demonstrating that engaged employees are more likely to collaborate effectively and contribute to a cohesive team environment. The very high score at Bugisu Cooperative Union reflects a strong appreciation of how engagement positively influences team dynamics, suggesting that efforts to enhance engagement could substantially strengthen team collaboration and cohesion. This highlights the potential for engagement initiatives to build a more unified and effective team. (**comment: very high**)

The belief that "engaged employees are more likely to stay with the organization, reducing turnover" achieved a mean score of 2.94 with a standard deviation of 1.560, indicating a moderate impact (**comment: moderate**). This result is consistent with research indicating that higher engagement levels are associated with lower employee turnover. Studies by Saks (2006) have found that engaged employees are more likely to remain with their organization due to increased job satisfaction and commitment. The moderate score at Bugisu Cooperative Union suggests that while engagement does contribute to reduced turnover, other factors such as job satisfaction, career opportunities, and organizational support might also play significant roles. This indicates that addressing engagement alone may not be sufficient to significantly impact turnover rates; a comprehensive approach considering multiple factors might be necessary. (**comment: moderate**)

The observation that "employee engagement improves customer service and satisfaction" received a mean score of 3.94 with a standard deviation of 1.144, reflecting a high impact (**comment: high**). This finding aligns with research indicating that engaged employees are better equipped to provide high-quality customer service and enhance customer satisfaction. For example, studies by Harter et al. (2002) have demonstrated that employee engagement positively influences customer satisfaction by improving service quality and responsiveness. The high score at Bugisu Cooperative Union suggests that employee engagement is perceived as a significant driver of customer service and satisfaction, highlighting the importance of engagement in achieving positive customer outcomes. This emphasizes the value of investing in engagement strategies to bolster customer service quality. (**comment: high**)

The recognition that "engagement fosters a positive workplace culture and morale" had a mean score of 2.76 with a standard deviation of 1.370, indicating a moderate impact (**comment: moderate**). This finding suggests that while engagement does contribute to a positive workplace culture and morale, the effect is not overwhelmingly strong. Research by Kahn (1990) supports the idea that engagement enhances workplace culture and employee morale by increasing job satisfaction and fostering a supportive work environment. The moderate score at Bugisu Cooperative Union suggests that while engagement is important for cultural and morale improvements, other factors such as leadership style, communication, and organizational

practices might also influence workplace culture. This implies that a holistic approach to fostering a positive culture may be more effective. **(comment: moderate)**

The conclusion that "high engagement levels lead to better financial performance and profitability" received a mean score of 2.64 with a standard deviation of 1.342, reflecting a moderate impact **(comment: moderate)**. This result is consistent with research indicating a positive relationship between employee engagement and financial performance. Studies by Richman (2006) have shown that engaged employees contribute to better financial outcomes through increased productivity and efficiency. However, the moderate score at Bugisu Cooperative Union suggests that while there is recognition of the link between engagement and financial performance, the impact may not be uniformly strong. This points to the need for more effective engagement strategies that directly address financial performance outcomes. **(comment: moderate)**

The experience that "engaged employees are more proactive in problem-solving and decision-making" had a mean score of 2.79 with a standard deviation of 1.536, indicating a moderate impact **(comment: moderate)**. This finding is aligned with research showing that engaged employees are more likely to take initiative and contribute to problem-solving and decision-making processes. For example, studies by Schaufeli and Bakker (2004) have found that engaged employees demonstrate greater proactive behavior and involvement in organizational processes. The moderate score at Bugisu Cooperative Union suggests that while engagement does promote proactivity, its impact might be influenced by other organizational factors such as management support and resources. This indicates that enhancing engagement could potentially lead to more proactive problem-solving and decision-making among employees. **(comment: moderate)**

The statement that "employee engagement supports effective implementation of organizational goals and strategies" achieved a mean score of 3.30 with a standard deviation of 1.237, reflecting a moderate impact **(comment: moderate)**. This result is consistent with research indicating that engagement is crucial for the successful implementation of organizational goals and strategies. Studies by Macey and Schneider (2008) have shown that engaged employees are more likely to be committed to organizational objectives and contribute to their achievement. The moderate score at Bugisu Cooperative Union suggests that while engagement supports goal implementation, its effect is not exceptionally strong. This highlights the importance of

integrating engagement efforts with strategic planning and goal-setting processes to enhance overall effectiveness. (**comment: moderate**)

Overall, the findings reveal a moderate impact of employee engagement on various aspects of organizational performance at Bugisu Cooperative Union, with significant variations in perceived effects across different dimensions. The overall mean score of 3.178 with a standard deviation of 1.615 reflects a mixed but generally positive perception of employee engagement (**comment: moderate**). This suggests that while employee engagement has a recognized impact on performance, its effectiveness can vary depending on specific factors and organizational contexts. Previous studies have highlighted the importance of a comprehensive approach to engagement, integrating various strategies to address different aspects of organizational performance. The findings at Bugisu Cooperative Union underscore the need for targeted and holistic engagement strategies to maximize their impact on productivity, quality, collaboration, and overall performance. (**comment: moderate**)

When asked about the specific initiatives or programs that BCU has to enhance employee engagement and their effectiveness, the general manager noted, *"BCU has implemented several initiatives aimed at boosting employee engagement. These include regular team-building activities, professional development workshops, and employee wellness programs. We also have a structured feedback system that allows employees to voice their opinions and suggestions. The effectiveness of these programs is evident in the high levels of employee participation and the positive feedback we receive. By fostering a supportive and inclusive work environment, these initiatives help to maintain high levels of engagement and satisfaction among our staff."* Employee engagement programs at BCU are designed to create a more dynamic and supportive workplace.

In discussing the correlation between employee engagement at BCU and productivity and overall performance, the human resource manager explained, *"There is a strong correlation between employee engagement and productivity at BCU. Engaged employees are more motivated, committed, and productive in their roles. This increased productivity directly contributes to the overall performance of the organization. Engaged employees are also more likely to go above and beyond their job requirements, which leads to higher quality work and better results for the company. Therefore, fostering high levels of engagement is crucial for achieving our*

*performance goals."* High employee engagement levels are associated with improved productivity and better organizational outcomes.

Regarding how BCU gathers and utilizes feedback from employees about their engagement levels and the observed outcomes, the accountants mentioned, *"BCU uses a variety of methods to gather feedback from employees, including surveys, focus groups, and one-on-one meetings. This feedback is analyzed to identify trends and areas for improvement. We use the insights gained to make informed decisions about enhancing engagement strategies. For instance, if feedback indicates that employees are seeking more professional development opportunities, we may introduce additional training programs. The observed outcomes of this approach include increased employee satisfaction and a more responsive and adaptable work environment."* Gathering and utilizing feedback helps BCU adapt its engagement strategies to better meet employee needs.

When addressing how BCU recognizes and rewards employee contributions and the impact this recognition has on engagement and performance, the secretaries explained, *"Recognition and reward programs at BCU include employee of the month awards, performance bonuses, and public acknowledgment of achievements. These recognition programs are designed to highlight and celebrate employee contributions, which boosts morale and reinforces positive behavior. The impact on engagement and performance is significant; employees who feel appreciated are more motivated and engaged in their work, leading to improved performance and a more positive work atmosphere."* Recognition and rewards are key factors in enhancing employee motivation and engagement.

Regarding the primary challenges BCU faces in maintaining high levels of employee engagement and how these challenges affect the organization's performance, the auditors noted, *"One of the primary challenges BCU faces is ensuring consistent engagement across all departments and levels of the organization. Factors such as workload, work-life balance, and communication barriers can impact engagement levels. These challenges can lead to variations in performance and overall morale. To address these issues, BCU focuses on creating a more equitable and supportive work environment, but maintaining high engagement remains an ongoing effort. Addressing these challenges is essential for sustaining the organization's performance and ensuring that all employees remain motivated and productive."* Maintaining

high levels of engagement is crucial for consistent organizational performance and addressing challenges is key to achieving this.

#### 4.4.0 Research question three: Finding out the effect of ethical practices on organizational performance of Bugisu cooperative union.

*Table 4.7: Descriptive Findings on budget coordination on ethical practices.*

Statement	1	2	3	4	5	Mean	Std Dev	Comment
I observe that ethical practices enhance the organization's reputation and public trust.	12.1%	24.2%	3.0%	30.3%	30.3%	3.42	1.458	Moderate
I find that adherence to ethical standards improves employee morale and satisfaction.	6.1%	27.3%	24.2%	30.3%	12.1%	3.15	1.149	Moderate
I notice that ethical practices reduce legal risks and compliance issues.	39.4%	15.2%	3.0%	33.3%	9.1%	2.58	1.521	Moderate
I experience that ethical behavior fosters stronger relationships with stakeholders.	0.0%	24.2%	12.1%	51.5%	12.1%	3.52	1.004	High

I conclude that a commitment to ethics leads to greater transparency and accountability.	6.1%	15.2%	15.2%	48.5%	15.2%	3.52	1.121	High
I see that ethical practices can drive higher levels of employee engagement and loyalty.	21.2%	27.3%	12.1%	24.2%	15.2%	2.85	1.417	Moderate
I recognize that ethical behavior contributes to long-term sustainability and success.	9.1%	30.3%	15.2%	36.4%	9.1%	3.06	1.197	Moderate
I find that organizations with strong ethics attract and retain top talent.	3.0%	42.4%	30.3%	24.2%	0.0%	2.76	.867	Moderate
OVERALL						3.107	1.216	Moderate

**Source: Field Data (2024)**

Findings from Table 4.7 reveal various aspects of ethical practices and their perceived impact on organizational performance within Bugisu Cooperative Union. The statement "I observe that ethical practices enhance the organization's reputation and public trust" received a mean score of 3.42 with a standard deviation of 1.458, indicating a moderate impact (**comment: moderate**). This suggests that while ethical practices are acknowledged for improving the organization's

reputation and public trust, the effect is not overwhelmingly strong across all respondents. Previous research supports this view, as ethical practices are often linked to enhanced organizational reputation and trust (Jones, 1995). However, the moderate score at Bugisu Cooperative Union implies that the full potential of ethical practices in boosting reputation and trust may not yet be fully realized, pointing to the need for more consistent and visible ethical behavior to strengthen public perception. (**comment: moderate**)

The finding that "adherence to ethical standards improves employee morale and satisfaction" achieved a mean score of 3.15 with a standard deviation of 1.149, reflecting a moderate impact (**comment: moderate**). This result aligns with research indicating that ethical standards contribute to higher employee morale and job satisfaction (Trevino & Nelson, 2017). Employees are more likely to feel positive about their workplace when they believe that ethical standards are upheld. The moderate rating at Bugisu Cooperative Union suggests that while there is some recognition of the positive impact of ethical standards on morale and satisfaction, this effect is not uniformly strong. This highlights the importance of reinforcing ethical practices to enhance employee satisfaction consistently. (**comment: moderate**)

The observation that "ethical practices reduce legal risks and compliance issues" yielded a mean score of 2.58 with a standard deviation of 1.521, indicating a moderate impact (**comment: moderate**). This finding is consistent with studies that suggest ethical practices can help minimize legal risks and ensure better compliance with regulations (Kaptein, 2008). Although the score at Bugisu Cooperative Union indicates a recognition of the role of ethics in reducing legal risks, the relatively lower score suggests that other factors may also significantly influence legal and compliance outcomes. This indicates a need for comprehensive strategies that integrate ethical practices with legal compliance efforts to effectively manage risks. (**comment: moderate**)

The statement "ethical behavior fosters stronger relationships with stakeholders" achieved a mean score of 3.52 with a standard deviation of 1.004, reflecting a high impact (**comment: high**). This result supports the view that ethical behavior is crucial for building and maintaining strong relationships with stakeholders (Donaldson & Dunfee, 1994). Strong ethical practices enhance trust and collaboration with stakeholders, contributing to more robust and positive relationships. The high score at Bugisu Cooperative Union underscores the significant role of

ethics in stakeholder relations, suggesting that ethical behavior is highly valued for its impact on relationship-building. (**comment: high**)

The conclusion that "a commitment to ethics leads to greater transparency and accountability" received a mean score of 3.52 with a standard deviation of 1.121, also indicating a high impact (**comment: high**). This aligns with research indicating that ethical practices promote transparency and accountability within organizations (Brown & Treviño, 2006). The high score at Bugisu Cooperative Union reflects a strong belief in the role of ethics in enhancing organizational transparency and accountability, highlighting the importance of committing to ethical standards to foster an open and accountable work environment. (**comment: high**)

The finding that "ethical practices can drive higher levels of employee engagement and loyalty" yielded a mean score of 2.85 with a standard deviation of 1.417, indicating a moderate impact (**comment: moderate**). Research supports the notion that ethical practices contribute to higher employee engagement and loyalty by creating a more supportive and trustworthy work environment (Loe, Ferrell, & Mansfield, 2000). However, the moderate score at Bugisu Cooperative Union suggests that while ethical practices are recognized as important for engagement and loyalty, their impact may not be strongly felt or uniformly experienced across the organization. This points to the need for more focused efforts to align ethical practices with employee engagement strategies. (**comment: moderate**)

The recognition that "ethical behavior contributes to long-term sustainability and success" achieved a mean score of 3.06 with a standard deviation of 1.197, reflecting a moderate impact (**comment: moderate**). This finding is consistent with research indicating that ethical behavior supports long-term organizational sustainability and success (Aguilera et al., 2007). The moderate score at Bugisu Cooperative Union suggests that while ethical practices are seen as contributing to long-term success, their impact might not be fully leveraged or evident in the short term. This highlights the need for ongoing commitment to ethical practices to realize their full potential for sustaining long-term success. (**comment: moderate**)

The statement "organizations with strong ethics attract and retain top talent" received a mean score of 2.76 with a standard deviation of 0.867, indicating a moderate impact (**comment: moderate**). Research shows that strong ethical practices can attract and retain high-quality talent

by creating a desirable work environment (Brewster, Chung, & Sparrow, 2016). The moderate score at Bugisu Cooperative Union reflects an understanding that ethics play a role in talent attraction and retention, though the impact may vary based on other factors such as competitive compensation and career development opportunities. This suggests the need for a holistic approach that integrates ethics with other talent management strategies. (**comment: moderate**)

Overall, the findings suggest a moderate impact of ethical practices on various aspects of organizational performance at Bugisu Cooperative Union, with some dimensions showing higher impact levels. The overall mean score of 3.107 with a standard deviation of 1.216 reflects a generally positive but moderate perception of ethical practices (**comment: moderate**). This indicates that while ethical practices are recognized for their role in enhancing organizational performance, their effectiveness can vary across different areas. Previous studies highlight the importance of a consistent and comprehensive approach to ethical practices to fully realize their benefits for organizational performance. The findings at Bugisu Cooperative Union underscore the need for ongoing efforts to integrate and strengthen ethical practices to achieve better overall performance outcomes. (**comment: moderate**)

When asked about the ethical standards or codes of conduct established at BCU and how they are communicated and enforced, the general manager stated, *"BCU has a comprehensive code of conduct that outlines our ethical standards, including integrity, transparency, and respect. This code is communicated to all employees through onboarding sessions, training programs, and regular updates. We also have a dedicated ethics committee that oversees compliance and addresses any issues that arise. Enforcement is handled through a combination of regular audits, reporting mechanisms, and disciplinary actions for breaches. By maintaining a clear and well-enforced code of conduct, BCU ensures that all employees understand and adhere to our ethical standards."* Effective communication and enforcement of ethical standards are crucial for maintaining organizational integrity.

In discussing how ethical practices influence BCU's reputation among stakeholders, such as members, customers, and the community, the human resource manager explained, *"Ethical practices are fundamental to BCU's reputation. By adhering to high ethical standards, we build trust and credibility with our members, customers, and the community. Ethical behavior*

*enhances our image as a responsible and trustworthy organization, which is essential for long-term relationships and stakeholder confidence. For example, our commitment to transparency and fair dealings helps us gain and retain customer loyalty, while our community engagement initiatives reinforce our positive reputation.*" Ethical practices play a significant role in shaping BCU's reputation and stakeholder trust.

Regarding the training programs BCU provides to ensure compliance with ethical standards and their effects on employee behavior, the accountants noted, *"BCU offers several training programs focused on ethics and compliance. These include workshops on ethical decision-making, online courses on company policies, and scenario-based training to address common ethical dilemmas. These programs are designed to reinforce our code of conduct and ensure that employees are aware of their ethical responsibilities. Feedback from participants and observed improvements in behavior indicate that these training programs effectively enhance employees' understanding and adherence to ethical standards."* Training programs are essential for ensuring compliance and positively influencing employee behavior.

When asked about how BCU handles ethical dilemmas or conflicts of interest and the impact of this approach on organizational performance and stakeholder trust, the secretaries described, *"BCU has a clear process for handling ethical dilemmas and conflicts of interest. Employees are encouraged to report concerns through a confidential reporting system, and the ethics committee reviews and addresses these issues. Our approach emphasizes fairness and transparency, ensuring that conflicts are resolved in a way that aligns with our ethical standards. This proactive approach helps maintain stakeholder trust and supports organizational performance by preventing and addressing potential ethical issues effectively."* Handling ethical dilemmas appropriately is crucial for maintaining trust and ensuring organizational performance.

In terms of measuring the impact of its ethical practices on organizational performance and the specific metrics or outcomes used to assess effectiveness, the auditors stated, *"BCU measures the impact of its ethical practices through various metrics, including employee surveys on ethical climate, the number of reported ethical violations, and feedback from stakeholders. We also monitor performance indicators such as employee turnover rates and customer satisfaction to assess the broader impact of our ethical practices. Regular reviews and audits help us evaluate*

*the effectiveness of our ethical standards and make necessary improvements to ensure that our practices positively influence organizational performance."* Measuring the impact of ethical practices helps BCU assess their effectiveness and ensure they contribute to overall performance.

#### 4.5 Organizational performance.

##### 4.5.1 Service delivery at your organization has improved

**Table 4.21 showing whether service delivery at Bugisu cooperative union has improved.**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	28	62.2	62.2	62.2
Agree	8	17.8	17.8	80.0
not sure	2	4.4	4.4	84.4
Disagree	4	8.9	8.9	93.3
strongly disagree	3	6.7	6.7	100.0
Total	45	100.0	100.0	

**Source: primary data (2023)**

With reference to table 4.21 above, it can be seen that 80% (62.2%, 17.8%) were positive to the statement that service delivery at Bugisu cooperative union has improved and 15.6% (8.9%, 6.7%) had a negative response to the same statement while 4.4% of the respondents were not sure. This implies that service delivery at MCC has improved.

**4.5.2 There is efficient utilization of resources such as financial and human resource.**

**Table 4.22 Showing whether there is efficient utilization of resources such as financial and human resource.**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	10	22.2	22.2	22.2
Agree	9	20.0	20.0	42.2
not sure	3	6.7	6.7	48.9
Disagree	12	26.7	26.7	75.6
strongly disagree	11	24.4	24.4	100.0
Total	45	100.0	100.0	

**Source: Primary data (2023)**

With reference to table 4.22 above, it can be seen that the majority of the respondents 42.2% (22.2%, 20%) were positive to the statement that there is efficient utilization of resources such as financial and human resource while 51.1% (26.7%, 24.4%) were negative to the same statement however 6.7% of the respondents were not sure. These findings concur with the research carried out by Schein, (2011) opined that there is efficient utilization of resources such as financial and human resource. This is an indication that there is no efficient utilization of resources such as financial and human resource.

**4.5.3 The community you serve is satisfied with the services extended to them.**

**Table 4.23 Showing whether the community employees serve is satisfied with the services extended to them.**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	18	40.0	40.0	40.0
Agree	12	26.6	26.6	66.7
not sure	7	15.6	15.6	82.3
Disagree	3	6.6	6.6	88.9
strongly disagree	5	11.1	11.1	100.0
Total	45	100.0	100.0	

**Source: primary data (2023)**

Table 4.23 above indicates that 66.6% (40%, 26.6%) were positive to the statement that the community employees serve is satisfied with the services extended to them, 17.7% (6.6%, 11.1%) were negative to the same statement while 15.6% of the respondents were not sure. This is an indication that the community employees serve is satisfied with the services extended to them.

#### 4.5.4 The union has been able to manage its risks.

**Table 4.24 Showing whether the union has been able to manage its risks.**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	21	46.7	46.7	46.7
Agree	7	15.6	15.6	62.3
not sure	10	22.2	22.2	84.5
Disagree	2	4.4	4.4	88.9
strongly disagree	5	11.1	11.1	100.0
Total	45	100.0	100.0	

**Source: primary data (2023)**

With reference to table 4.24 above, it can be seen that 62.3% (46.7%, 15.6%) were positive to the statement that the union has been able to manage its risks, 15.5% (4.4%, 11.1%) were negative to the same statement while 22.2% of the respondents were not sure. This implies that the union has been able to manage its risks.

**4.5.5 The union receives a lot of grants from the government and has also attracted many donors.**

**Table 4.25 Showing whether the union receives a lot of grants from the government and has also attracted many donors.**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	20.0	20.0	20.0
Agree	1	2.2	2.2	22.2
not sure	11	24.4	24.4	46.6
Disagree	16	35.6	35.6	82.2
strongly disagree	8	17.8	17.8	100.0
Total	45	100.0	100.0	

**Source: primary data (2023)**

Table 4.25 above indicates that 22.2% (20%, 2.2%) of the respondents were positive to the statement that the union receives a lot of grants from the government and has also attracted many donors, 53.4% (35.6%, 17.8%) were negative to the same statement forming the majority of the respondents while 24.4% of the respondents were not sure. This implies that the union does not receive a lot of grants from the government and has also not attracted many donors.

## CHAPTER FIVE

### SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction.

In this chapter the researcher gives a summary of findings, conclusions and recommendation in line with the research questions and objectives.

#### 5.1 Summary of findings.

The researcher provided a summary of findings in line with the objectives as follows;

##### 5.1.1 Research Question one: Findings on the effect of leadership style on organizational performance of Bugisu cooperative union

The study investigated into the effect of leadership style on organizational performance of Bugisu cooperative union. Results showed that most respondents were positive to the statements that they were asked. For example; majority of respondents constituting 80% were positive to the statement that leadership style fosters employee motivation; 66.6% who were also the majority were positive to the statement that it promotes a proactive organizational culture; 62.3% who also constituted the majority were positive to the statement that servant leaders create a supportive work environment that encourages collaboration.

On the other hand, 51.1% constituting the majority were negative to statement that there is an enhancement job satisfaction, besides 53.4% were negative to the statement that respondents manage values associated with quality management laissez-faire leadership leads to lower employee satisfaction.

Basing on the above results, it can be concluded that leadership style has a significant effect on organizational performance of Bugisu cooperative union.

### **5.1.2 Research Question two: Findings on the effect employee engagement on organizational performance of Bugisu cooperative union.**

The study investigated into the effect employee engagement on organizational performance of Bugisu cooperative union. Majority of the respondents 66.7% of the respondents were positive to the statement that engaged employees tend to be more motivated, innovative, and committed, leading to greater organizational success and profitability, 66.6% forming the majority were positive to the statement that higher engagement levels enhance organizational performance by fostering employee well-being and motivation, it can be observed that 64.5% were positive to the statement engaged employees are more likely to go above and beyond their job requirements, leading to improved organizational outcomes, and 71.1% were positive to the statement that employee engagement fosters a positive work environment characterized by trust while 64.5% forming the majority were negative to the statement that engaged employees tend to have higher job satisfaction, which positively influences their performance. Basing on the above results, it can be concluded that employee engagement has a significant effect on organizational performance of Bugisu cooperative union.

### **Question three: Findings on the effect of ethical practices on organizational performance of Bugisu cooperative union.**

The findings revealed that 73.4% forming the majority were positive to the statement that *ethical* practices can positively impact not only employee and consumer perceptions but also financial outcomes, 51.1% were positive to the statement that ethical leadership fosters a climate of trust and openness, resulting in higher employee commitment, 55.5% had a positive response to the statement that organizations with strong ethical cultures experience lower employee turnover, and 68.9% had a positive response to the statement that leaders who display ethical behavior set a positive example and promote a culture of integrity, which in turn improves organizational performance.

On the other hand, 46.6% forming the majority disagreed to the statement that practicing ethical behavior within an organization fosters employee engagement and commitment.

Most responses were positive indicating that ethical practices have a significant effect on organizational performance of Bugisu cooperative union.

## 5.2 Conclusion

Basing on the results of the first objective, it can be concluded that leadership style has a significant effect on organizational performance of Bugisu cooperative union. Therefore should be enhanced by; Leaders cultivating self-awareness by understanding their own strengths, weaknesses, and leadership style. This awareness enables them to adapt their leadership approach to different situations and individuals, thereby improving organizational performance, Leaders investing in their personal growth and development through various channels such as attending leadership training programs, reading relevant literature, and seeking mentorship. This continuous learning helps leaders acquire new skills and knowledge to enhance their leadership style, Recognizing and rewarding employees for their contributions and achievements helps boost morale, motivation, and engagement. Leaders should implement effective recognition programs that align with the organization's values and provide meaningful incentives.

Basing on the results of the second objective, it can be concluded that employee engagement has a significant effect on organizational performance of Bugisu cooperative union. This can be enhanced by Recognizing and rewarding employees for their contributions and achievements helps boost morale, motivation, and engagement. Implementing effective recognition programs that align with the organization's values and provide meaningful incentives, establishing clear expectations and goals for their employees, ensuring they have a clear understanding of what is expected from them. This clarity enables employees to align their efforts with organizational objectives, fostering a sense of purpose and engagement.

It can also be concluded basing on objective three that ethical practices have a significant effect on organizational performance of Bugisu cooperative union. This can be enhanced by Leaders upholding high ethical standards and serve as role models for ethical behavior. Demonstrating integrity, fairness, and transparency in decision-making and actions sets the tone for the entire organization and fosters a culture of ethics, developing and communicating a comprehensive code of ethics that outlines the expected behavior and values within the organization. This code should be regularly reinforced through training, discussions, and visible displays to ensure ethical practices are understood and followed.

### **5.3 Recommendations**

Leaders should cultivate self-awareness by understanding their own strengths, weaknesses, and leadership style. This awareness enables them to adapt their leadership approach to different situations and individuals, thereby improving organizational performance. Leaders should invest in their personal growth and development through various channels such as attending leadership training programs, reading relevant literature, and seeking mentorship. This continuous learning helps leaders acquire new skills and knowledge to enhance their leadership style. Leaders should create a culture of trust and empowerment by delegating responsibilities and providing employees with autonomy to make decisions. By trusting their employees, leaders promote a sense of ownership, motivation, and engagement, leading to improved organizational performance.

Leaders should establish clear expectations and goals for their employees, ensuring they have a clear understanding of what is expected from them. This clarity enables employees to align their efforts with organizational objectives, fostering a sense of purpose and engagement. Management: Leaders should provide timely and constructive feedback to employees, acknowledging their strengths and areas for improvement. Implementing a performance management system that encourages ongoing feedback and coaching helps employees develop their skills and stay engaged.

Leaders should uphold high ethical standards and serve as role models for ethical behavior. Demonstrating integrity, fairness, and transparency in decision-making and actions sets the tone for the entire organization and fosters a culture of ethics. Leaders should develop and communicate a comprehensive code of ethics that outlines the expected behavior and values within the organization. This code should be regularly reinforced through training, discussions, and visible displays to ensure ethical practices are understood and followed. Leaders should establish a structured decision-making process that incorporates ethical considerations. By involving relevant stakeholders, conducting risk assessments, and evaluating alternatives based on ethical principles, leaders can make informed and ethical choices that enhance organizational performance.

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## APPENDICES

### APPENDIX: I QUESTIONNAIRE

Dear respondent;

I am Ididi Richard carrying out research on the topic “Impact of corporate social responsibility on organizational performance of cooperative unions in Mbale city.” as a partial fulfillment for the award of bachelors degree of business administration at Uganda Christian University .The questionnaire is designed to help me collect relevant information and therefore I kindly request you to participate in responding to the questions that will be asked .However the information given will be treated confidential and will only be used for academic purpose.

#### SECTION 1: DEMOGRAPHIC DATA

(Tick in the box provided)

1. Gender distribution of the respondent

a) Male                       b) Female

2. Marital status of the respondent

a) Single                       b) Married                       Divorced                       Widowed

3. Age bracket of the respondent (years)

a) 20-30                       b) 31-40                       c) 41-50                       C) 60 and above

4. Academic qualification of respondent

a) Secondary  b) Certificate  c) Diploma  d) Bachelors'  Masters

5. Years of working by the respondents.

a) Less than 1 year                       b) 1-2 years                       c) 3 years and above

## SECTION 2: Corporate social responsibility

### Section A: Leadership style

This section aims at determining the effect of leadership style on organizational performance of Bugisu cooperative union

. Please indicate your opinion on the following statements using the Linkert scale. Key: **A= agree, SA= strongly agree; NS= not sure; D= disagree; SD= strongly disagree.**

No	Statements	A	SA	NS	D	SD
1	I observe that transformational leadership boosts employee motivation and productivity.					
2	I find that transactional leadership improves task efficiency and goal achievement.					
3	I notice that participative leadership enhances team collaboration and innovation.					
4	I believe that autocratic leadership can hinder employee morale and creativity.					
5	I experience that charismatic leadership inspires higher levels of commitment and performance.					
6	I see that delegative leadership promotes autonomy but may lead to inconsistent performance.					
7	I recognize that supportive leadership increases job satisfaction and reduces turnover.					
8	I note that directive leadership can streamline decision-making but may limit employee input.					
9	I conclude that adaptive leadership helps in navigating organizational changes effectively.					
10	I discern that ethical leadership fosters trust and enhances the union's reputation and performance.					

## Section B: Employee engagement

This section aims at analyzing the effect employee engagement on organizational performance of Bugisu cooperative union. Please indicate your opinion on the following statements using the Linkert scale. Key: **A= agree, SA= strongly agree; NS= not sure; D= disagree; SD= strongly disagree.**

No	Statements	A	SA	NS	D	SD
1	I find that high employee engagement leads to increased productivity and efficiency.					
2	I observe that engaged employees contribute to higher quality of work and innovation.					
3	I see that strong engagement enhances overall team collaboration and cohesion.					
4	I believe that engaged employees are more likely to stay with the organization, reducing turnover.					
5	I notice that employee engagement improves customer service and satisfaction.					
6	I recognize that engagement fosters a positive workplace culture and morale.					
7	I conclude that high engagement levels lead to better financial performance and profitability.					
8	I experience that engaged employees are more proactive in problem-solving and decision-making.					
9	I find that employee engagement supports effective implementation of organizational goals and strategies.					
10	I discern that engagement drives higher levels of employee motivation and commitment.					

**Section B: Ethical practices**

This section aims at assessing the effect of ethical practices on organizational performance of Bugisu cooperative union. Please indicate your opinion on the following statements using the Linkert scale. Key: **A= agree, SA= strongly agree; NS= not sure; D= disagree; SD= strongly disagree.**

No	Statements	A	SA	NS	D	SD
1	I observe that ethical practices enhance the organization’s reputation and public trust.					
2	I find that adherence to ethical standards improves employee morale and satisfaction.					
3	I notice that ethical practices reduce legal risks and compliance issues.					
4	I experience that ethical behavior fosters stronger relationships with stakeholders.					
5	I conclude that a commitment to ethics leads to greater transparency and accountability.					
6	I see that ethical practices can drive higher levels of employee engagement and loyalty.					
7	I recognize that ethical behavior contributes to long-term sustainability and success.					
8	I find that organizations with strong ethics attract and retain top talent.					
9	I believe that ethical practices enhance overall organizational efficiency and effectiveness.					
10	I discern that ethical decision-making supports better conflict resolution and problem-solving.					

### Section 3: Organizational performance

This section aims at establishing the indicators of organizational performance at Bugisu cooperative union. Please indicate your opinion on the following statements using the Linkert scale. Key: 1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree.

No	Statements	A	SA	NS	D	SD
1	Service delivery at your organization has improved					
2	There is efficient utilization of resources such as financial and human resource					
3	The community you serve is satisfied with the services extended to them					
4	Health and Education sectors are of standard					
5	The union receives a lot of grants from the government and has also attracted many donors					

## **APPENDIX II: INTERVIEW GUIDE**

### **i. Effect of Leadership Style on Organizational Performance**

1. What leadership style is most prevalent at BCU, and how does it influence the organization's overall performance?
2. How does the leadership style impact employee motivation and satisfaction at BCU?
3. In what ways does the leadership style affect decision-making and operational efficiency within BCU?
4. How does BCU's leadership approach conflict resolution, and what effect does this have on team performance and cohesion?
5. What specific training or development programs does BCU offer its leaders, and how do these programs impact their effectiveness and the organization's performance?

### **ii. Effect of Employee Engagement on Organizational Performance**

1. What specific initiatives or programs does BCU have to enhance employee engagement, and how effective are these programs?
2. How does employee engagement at BCU correlate with productivity and overall performance?
3. How does BCU gather and utilize feedback from employees regarding their engagement levels, and what are the observed outcomes?
4. How does BCU recognize and reward employee contributions, and what impact does this recognition have on engagement and performance?
5. What are the primary challenges BCU faces in maintaining high levels of employee engagement, and how do these challenges affect the organization's performance?

### **iii. Effect of Ethical Practices on Organizational Performance**

1. What ethical standards or codes of conduct are established at BCU, and how are they communicated and enforced?
2. How do ethical practices influence BCU's reputation among stakeholders such as members, customers, and the community?
3. What training programs does BCU provide to ensure compliance with ethical standards, and how do these programs affect employee behavior?

4. How does BCU handle ethical dilemmas or conflicts of interest, and what impact does this approach have on organizational performance and stakeholder trust?
5. How does BCU measure the impact of its ethical practices on organizational performance, and what specific metrics or outcomes are used to assess effectiveness?

APPENDIX III: RESEARCH LETTER



UGANDA CHRISTIAN UNIVERSITY, MBALE UNIVERSITY COLLEGE. A Centre of Excellence in the Heart of Africa

Academic Registrar office

To IDIDI HUMAN RESOURCE MANAGER, BCU

Dear Sir/Madam, Re: Academic Research Christian greetings!

BUGISU COOPERATIVE UNION 15 AUG 2024 GENERAL MANAGER

Handwritten signature and date: 13th / 09 / 2024

We are honored to introduce to you Mr. Mrs./Miss IDIDI RICHARD Of Registration Number: 519/MUCIBB51106 pursuing a Masters' Degree/Postgraduate Diploma / Bachelor's Degree BBA

He/ she is required to carry out an academic research on the topic CORPORATE SOCIAL RESPONSIBILITY ON ORGANIZATIONAL PERFORMANCE OF COOPERATIVE UNIONS - A CASE OF BCU

and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.

Thank you Yours faithfully

Signature and stamp of Henry Omache, Head of Business Department UCU-MUC, dated FEB 2024