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Corporate Governance Practices and Competitive Advantage of Kenolkobil Company Limited, Kenya

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ABSTRACT

The study assessed the role of corporate governance practices on competitive advantage: case of using KenolKobil Company Limited, Kenya. The study was guided by the following research objectives; to establish the influence of transparency on achievement of competitive advantage, to determine the influence of accountability on achievement of competitive advantage, to determine the influence of fairness on achievement of competitive advantage and to find out the influence of responsibility on achievement of competitive advantage. The research was conducted through survey research design. The target population was all the 156 employees based at KenolKobil Ltd head office. A stratified sampling technique was used to sample respondents as per departmental strength. The study then used simple random sampling technique to sample 100 respondents. The study used questionnaires. Qualitative data obtained from the open-ended items was analysed with similar answers grouped together according to the responses from homogenous themes. The quantitative data was analysed descriptively, by use of crosstabulations as well as by utilization of multiple regression. Quantitative data was computed with the aid of SPSS Version 21. The study concluded that transparency, accountability, fairness and responsibility have positive significant statistical influence on competitive strategy. The study recommends that the company should promote accountability, through honest and independent audit committee and independent board that can be able to offer checks and balances. The study recommends that the management should be responsible in inculcating ethical practices into the culture of the business, and these should be percolated to all levels of company so as to maintain excellent business practices overall. The study recommends that the company should participate actively in an ethical way by embracing code of conduct. The management should also cultivate and structure a corporate culture that supports all staff. This can be achieved by structuring a corporate culture in order to enhance employee responsibility.

Keywords: Corporate governance, Competitive advantage, Transparency, Accountability

INTRODUCTION

Corporate governance is a set of principles that embraces both economic and social goals as well as between individual and communal goals so as to align the interests of various shareholders for the attainment of competitive advantage (Solomon, 2017). Competitive advantage is the beneficial position a firm holds so as to make more profit in order to out muzzle competitors (Smith, Ferrier & Ndofor, 2011). Therefore, corporate governance is all about being competitive in order to achieve good performance (Khoza & Adam, 2015).

Peteraf (2016) argues that corporate governance does not only promote competitive advantage, but also creates a sense that a firm is being properly managed. Raymond and Croteau (2013) indicate that a firm's competitive advantage should be tied to business strategy so as to enhance corporate performance. Therefore, competitiveadvantage can berealizedby embracing corporate governance pillars that promotes long-term competitive advantage. Thus, in the existing unpredictable business surroundings, more effort should be bestowedon the ability of a firm to transform, to be innovative, to embrace and to learn so as to enhance competitive advantage over other competitors.

According to Chatterjee and Harrison (2011), attention to corporate governance isnowadays changing from responsibility and conformity with rules and regulations to a performance oriented business strategies in order to promote competitive advantages. As a matter of fact, corporate governance is a significant driver of corporate performance and ultimately achievement of competitive advantages. Therefore, embracing good corporate governance can be seen as an indicator to optimum performance that provides competitive advantage (Barney, 2017). As presented above, it is, therefore, arguably factual that good corporate governance serves as agency solutions that lend a hand towards achieving competitive advantage.

In this regard, it is paramount to establish the extent by which petroleum firms in Kenya embraces corporate governance to promote competitive advantage. In order to achieve this, the study at hand, therefore, focuses on assessing the role of corporate governance on the achievement of competitive advantage at KenolKobil Company Limited, Kenya.

KenolKobil Company Limited, Kenya

In spite of the fact that KenolKobil has attained enormous business ventures, the company has in the recent past received stiff competition from other rivals such as Total Kenya, Vivo Energy, Caltex, National Oil Corporation of Kenya (NOCK) and BP Shell among others petroleum companies. This has necessitated KenolKobil to re-strategize corporate governance system in order to remain competitively active in the market (Kahira, 2016). This has been demonstrated by the presently witnessed restructuring of the management board and inclusion of as well independent directors in the audit committee. Despite all these efforts, theachievement of competitive advantages has been a tall order (Ikiara & Njenga, 2010).

In addition, KenolKobil has also been bedeviled with lack of openness, and limited information to shareholders as well as inadequate presence of formal checks and balance which have negatively impacted the competitive advantage of the company. At the same time, the failure to remain competitively advantage in the market has been attributed to presence of poor corporate governance practices (Chepkwony, 2011). It is in this regard that the study sought to establish the role of corporate governance on the achievement of competitive advantage at KenolKobil, Kenya

Factually, bad corporate governance practices have resulted to a lack of competitive ability among petroleum companies in Kenya. This has consequently resulted to poor financial performance vis-à-vis poor firm growth. Studies have demonstrated significant association between corporate governance and firm competitive advantage in Kenya (Mollah, Al Farooque, & Karim, 2012). Empirical studies have revealed inconsistent findings regarding the relationship between corporate governance and achievement of competitive advantage (Talaja, 2012). Given the inconsistency reported in Kenya and the fact that to the researcher's knowledge, no known studies has been done on good corporate governance and competitive advantage at KenolKobil, there is need for the study at hand to be conducted in order to bridge the gap.

The study is also premised on the fact that there is need to establish if good corporate governance influence firm competitive advantages or otherwise. As indicated herein, many past studies on corporate governance structures such as Gachunga (2010) was limited on state corporations, Njoroge (2016) study was limited on building competitive advantage through diversification. Ongaga (2016) study focused only on responses by Kenol on the general changes that have occurred in the whole oil industry. Chepkwony (2011) study was limited to strategic responses by the Kenyan petroleum firms to challenges of increased competition. Letting, Aosa and Machuki (2012) was limited to board structure while the study by Ongore and K'Obonyo (2011) was only concerned with performance. As evidenced in the past empirical studies, they have majorly not been conclusive enough to warrant a generalization. Again, none has captured the linkage between corporate governance and competitive advantage at KenolKobil after the merger hence a research gap. Their findings may also not be inferred on the entire population of Kenyan registered organizations thus the need for the study at hand with specific focus on KenolKobil to establish the role of corporate governance on achievement of competitive advantage in the company.

LITERATURE REVIEW

Theory of Competitive Advantage

Competitive advantage theory states that competition exist when different organization seek commitments of time and energy from the same target markets and an organization faces competition when its success depends upon behavior of other actors who are trying to fulfill similar customer needs. Simply put, according to the theory, in order to achieve any advantage in business, a firm has to look deeply and systematically into what it has, what it knows, what does and what it can get in order to provide better value to its customers than its rivals can.

According to Barney (1991), companies that have competitive advantage implements strategies that are unique as compared to their competitors. As put by Grant (1996), if more than two firms compete in similar market, there is a possibility that one firm will gain competitive advantage over the other. This could be attributed embrace of accountable and transparent practices. In Porter (1979), it is significant for any firm to understand the underlying sources of competitive pressure in the market so as to formulate appropriate strategies in order to remain competitive.

According to Hax and Majluf (1996), competitive advantage is attained when both human and financial resources owned exclusively are applied to achieve unique competencies. Moreover, the resulting advantage will be sustained if the firm's rival substitution and imitation capabilities are poor (Barney, 1991). Other ways of gaining competitive advantage are through producing quality products at lower costs and delivering the right products and service to its customers in the right place at the right price and time through the right channels (Hall, 1992). Therefore, to achieve business advantage, a firm has to look deeply and systematically into what it has, what it knows, what does and what it can get in order to provide better value to its customers than its rivals can (Lieberman & Montgomery, 1988). Therefore, to gain competitive advantage over rivals firms must make sure that they demonstrate transparency, fairness, responsibility and accountability across the board.

Resource Based View (RBV) Theory

Another theory that the study is anchored on is the Resource based view (RBV). According to the theory, the basis for the competitive advantage lies primarily in the application of valuable tangible or intangible resources that a firm has (Mwailu & Mercer, 1983). Additionally, the RBV provides extra insight on how board of directors could become a source of competitive advantage through its interest on the processes by which resources, including those provided by directors are combined with other internal firm resources to shape specific competitive strategies.

According to Peteraf (1993), transformation of a competitive advantage into a sustained competitive advantage demands that resources are heterogeneous in nature as this will promote competitive advantage. If these conditions hold, the bundle of resources can sustain the firm's above average returns. RBV theory also recognizes people's entrepreneurial kills and organizations entrepreneurial capabilities as part and parcel of resources. The theory proposes that firms have the primary objective of superior competitive advantage but this depends on the need to embrace fairness at place of work, having responsible management and employees as well as rendering transparent services as and when carrying out job related responsibilities so as to stand better chances in achieving competitive advantages over rivals.

Empirical Review

Corporate Governance and Sustainable Competitive Advantage

According to Mitchell and Coles (2017), good corporate governance leads to product value creation that facilitates more services to consumers. Therefore, the practice normally raises the standards of the products competitiveness and corporate competitive advantages among its entire industry fraternity (Mitchell & Coles, 2017). Consequently, the presence of effective board and corporate governance should be able to craft strategies that fit the business environment and make the corporate flexible to accommodate its strengths, weaknesses, opportunities and threats so as to promote sustainable competitive advantage (Grant, 2016). In order to establish the role of corporate governance on the achievement of sustainable competitive advantage at KenolKobil, the study utilized transparency, accountability, fairness and responsibility.

Transparency

Transparency can be defined as the administrative rules and procedures through which institutions conduct their functions. This should be with respect to whether the procedures are documented, accessible, and whether companies are concerned and open to public scrutiny (Farber, 2015). Transparency, therefore, depicts the accuracy, reliability and completeness of publicized information so as to build a positive image for current and potential shareholders (Balachandran & Chandrasekaran, 2010). This pillar of corporate governance ensures accessibility of information in business operations to the public which in turn promotes competitive advantage (Ghabayen, 2012). Transparency, therefore, ensures that all relevant data revealed by a company is clearly presented in order to enhance investor confidence and ultimately achievement of competitive advantage.

According to Mallin (2012), the significant role of board of directors in any firm is to work in a harmony and uniformity such that all business activities are evaluated and processed regularly in order to achieve competitive advantage. Therefore, presence of good corporate governance which leads to sustainable competitive advantage is mainly based on internal control, business management and the supervisory role of the board of directors (Koldertsova, 2010). Under the pillar of transparency, management effectiveness is required so as to ensure precise, open and efficient flow of information in order to improve competitive advantage.

Accountability

Accountability can be referred as the relationship between shareholders, employees and boards of directors along with a sense of responsibilities. This pillar of corporate governance pertain a public service discipline among various shareholders and their power to sanction, impose costs, or remove officials for unsatisfactory performance or actions (Fernando, 2010). On the other hand, Dittmara and Smith (2017) states that accountability relates with monitoring, evaluation and control of the effectiveness and equitable performance of managerial bodies in order to achieve competitive advantage.

In accountability, managers are solely responsible for the sound implementation of accountable practices and processes that ensures that companies abide with corporate laws. According to this pillar of corporate governance, the management and board of directors are strongly advised to demonstrate good faith and due diligence when carrying out responsibilities. This should be conformed to as it is in the best interest of the firm to attain sustainable competitive advantage over rivals (Fallatah & Dickins, 2012).

In Deswarte, Cuppens, Jajodia and Wang (2014), accountability as a pillar of corporate governance ensures that all stakeholders in the company are held solely responsible for their actions regarding the competitive strategies in place so as to enhance the realization of sustainable competitive advantages. This, therefore, means that organizations should adhere to maintenance of accurate financial statements and reporting in order to achieve competitive advantages over rivals. Consequently, financial managers are responsible for accurately presenting the financial position of a firm so as to promote strong financial performance position in the market (Ali, 2014). In the contrary, reporting or submission of the inaccurate financial statements can misguide and misguide the investors which in turn could lead to lack of implementation of existing competitive advantage strategies.

Fairness

According to Mayne (2017), fairness can defined as the process business activities are carried out without affecting negatively stakeholders' interests. The companies that maintains fairness, exhibit a significant role in the achievement of sustainable competitive advantage objectives. Therefore, fairness as corporate governance pillars is considered as an ethical code idea. Peng and Sauerwald (2013) state that fairness as a corporate governance pillar plays a key role in the realization of sustainable competitive advantage. Therefore, fairness is underpinned by value systems as well as ethical practices that any company should abide by. According to this corporate governance pillar, it is the role of management to have inculcated ethical practices into the culture of the business, and these should be witnessed in all organization levels so as to maintain excellent business processes and achieve sustainable competitive advantages.

In order to maintain fairness practices in an organization, the managers should come up with an organizational business code of conduct that defines all aspects that are key in maintaining high level of business integrity (Singh &Zammit, 2016). This pillar of corporate governance also enhances trust in organizations which, therefore, creates sound environment for better performance. In fairness, organizational functions should be fully balanced so as to provide an equal degree of recognition to all parties involved in the set up of competitive advantage strategies that are geared towards outmaneuvering opponents (Tricker&Tricker, 2012). The principle of fairness demands that business management personnel should be unbiased and respect the independence of all employees. This will in turn motivate employees who will be more than willing to fully embrace competitive advantage strategies. The application of fair practices, therefore, aligns business best practices in the favor of stakeholders which then enhance their trusts and faithfulness thereby contributing towards promoting competitive advantages that also helps in fostering optimum financial performance (Lipman&Lipman, 2016).

Responsibility

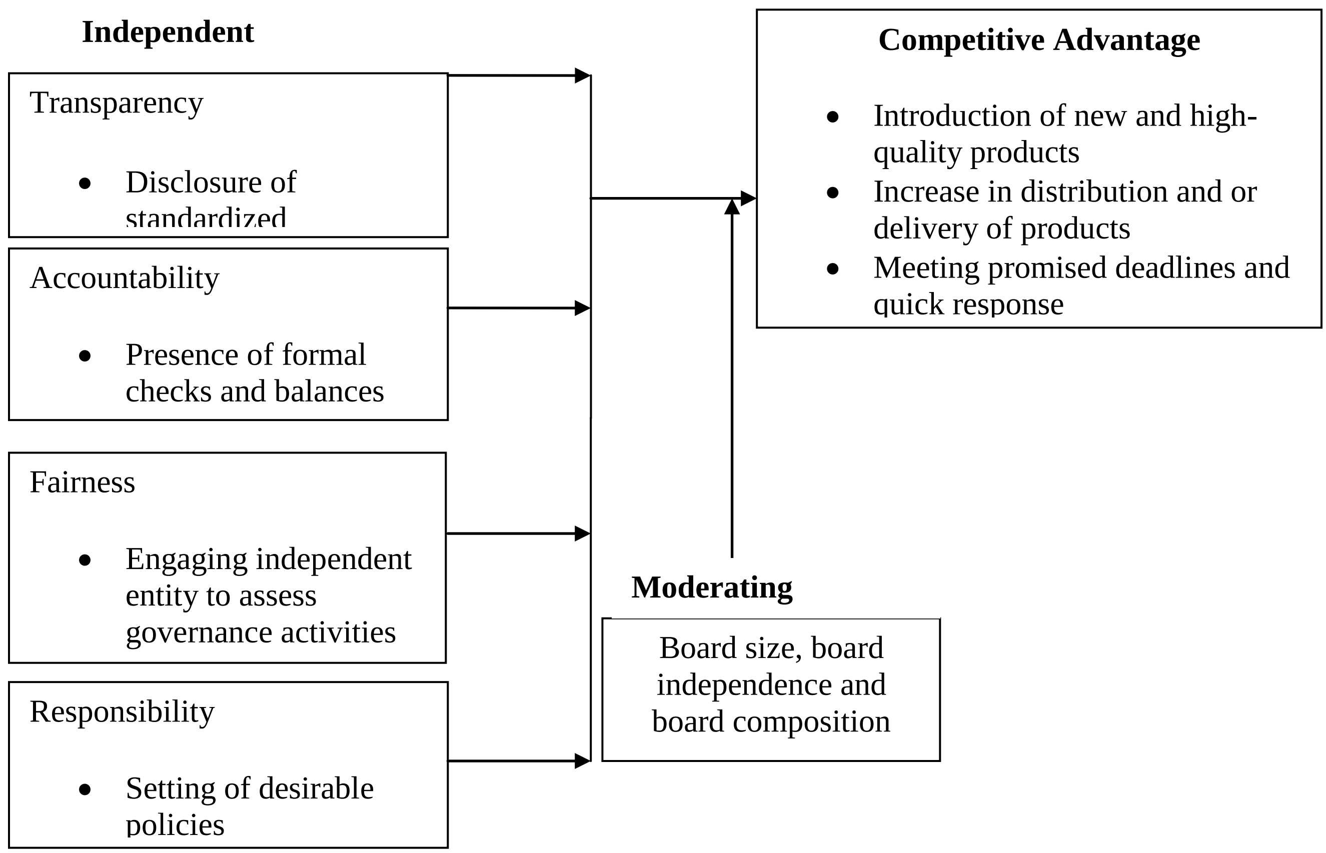
Responsibility is for companies to set desirable policies by themselves in line with goals, objectives and values of society concerned by making decisions and putting them into practice so as to improve competitive advantage (Rahim, 2013). It also refers to unfolding business operations in a more significant manner in the economic, environmental and social field for achievement of sustainable development. According to this key pillar of corporate governance, it is the duty of the board of directors to safeguard business interests while ensuring that the goals, values, and objectives that pertains achievement of competitive advantage in the organization are met. The main focus of this pillar of corporate governance is to maximize return on investment and foster competitive advantage (Font, Guix& Bonilla-Priego, 2016).

In addition, another main obligation of a company is to structure and inculcate a corporate culture that supports all staff so as to motivate them. In order to achieve this, the corporate culture should be developed so that the behavior of all shareholders can be governed in the context of this culture so as to create an enabling environment for the realization competitive strategic goals (Kakabadse, Rozuel& Lee-Davies, 2015). Again Aras and Crowther (2016) indicates that responsible practices play key roles that demands of employees to minimize the environmental impact of their organization so as to enhance performance.

In a rejoinder, Monks and Minow (2011) agrees that organizations that render full support to responsibility of corporate governance in their practices are considered to be socially responsible. Therefore, adhering with responsibilities permits managers to cushion their business from unethical practices, and to improve their corporate image in the eyes of shareholders which in turn could lead to achievement of sustainable competitive advantage (Rahim, 2013).

Conceptual framework

The conceptual framework illustrated in Figure 1 indicates that transparency which was measured by effective disclosure of standardized information can help in achievement of competitive advantage. The framework shows that accountability in the form of putting in place checks and balances can promote the achievement of competitive advantages. It is also evident that fairness attributed to involvement of knowledgeable independent firms to assess governance practices could enhance the attainment of competitive advantage at the firm. The framework indicates that setting of desirable policies can enhance responsibility which can then promote competitive advantage. Therefore, embracing transparency, accountability, fairness and responsibility is thus assumed to lead to introduction of new and high-quality products, increase in the distribution of products and meeting promised deadlines by employees as well as quick response to issues pertaining to good corporate governance and achievement of competitive advantages. The study, therefore, found that an increase in transparency, accountability, fairness and responsibility led to achievement of competitive advantage at KenolKobil.



Source: Authors (2018)

Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

The study used survey research design. The design was chosen due to the fact that it saves lots of time and money as a result of its usability of questionnaires. In support, Cooper and Schindler (2013) opines that the design attempts to find out who, what, where, when and how. The research was meant to find out how transparency, accountability, fairness and responsibility influenced the achievement of competitive advantage thus the adoption of survey research design. Again the adoption of the design was informed by Oja (2013) who says that survey design is efficient method of gathering descriptive data regarding present practices, situations, conditions and needs of a population. The method was also significant because it helped the researcher to meaningfully summarize data.The target population was the 156 employees based at KenolKobil Ltd head office located in Milimaniat the Avenue 5 Building, 5th Floor, Rose Avenue off Lenana Road, Nairobi (KenolKobil Human Resource Records, 2017). The study sampled 40% of target population in each department. This resulted to a sample of 100 respondents for all the departments. The data was analysed descriptively, by use of cross tabulations as well as by utilization of multiple regression. Quantitative data was computed for descriptive statistics (frequencies and percentages) with the aid of SPSS Version 21 and Microsoft Excel 2010. The results were then presented in the form of tables and charts. Additionally, cross tabulations was used to present the relationship between two variables. Regression analysis was used to establish the relationship between the independent variables. It showed the direction and magnitude of the relationship between variables.

The regression analysis model was as follows;

The model was represented as;

$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + ei$,

Where Y_i represents competitive advantage, $X_1$is transparency, X_2 stands for accountability, X_3 is fairness, X_4 is responsibility, β_1- $\beta_4$are the regression coefficients, $\beta_0$is the Constant term, while *e* is the residual error term.

FINDINGS

Descriptive Statistics

In this section respondents were asked to indicate their distribution by gender, age and experience.

Table 1: Demographic Information

		Percentage
Gender	Male	43%
	Female	57%
	Total	100
Age	Below 25 years	10%
	26 – 30 years	30%
	31 – 35 years	38%
	36 – 40 years	15%
	Above 40 years	7%
	Total	100
Experience of Employees	Less than 1 year	11%
	2 – 5 years	41%
	6 - 10 years	30%
	Above 10 years	18%
	Total	100

The results show that majority of the respondents in the company are female employees represented by 57%. The male employees were found to be the minority at 43%. From the study it was found that most of the respondents fell in the age brackets of 31-35 years as was represented by 38%. It was also found that 30% of the respondents were in the age category of 26 and 30 years, 15% fell in the age bracket of 36 to 40 years. 10% of the respondents were below 25 years while 7% were above 40 years. The results also show that 41% of the respondents had 2 to 5 years' experience, 30% had 6 to 10 years' experience, 18% had over 10 years' experience and 11% had less than 1 year experience at the company.

Cross Tabulations of Variables

The study utilized cross tabulation to analyze the relationship between independent (transparency, accountability, fairness and responsibility) and dependent variable (competitive advantage).

Table 2: Cross Tabulations of Variables

		Competitive advantage					Total
Transparency	Count	2	0	2	1	2	7
	% of Total	1.20%	0.00%	1.20%	1.01%	1.20%	4.61%
Responsibility	Count	0	3	0	4	3	10
	% of Total	0.00%	4.24%	0.00%	5.54%	4.24%	14.02%
Fairness	Count	0	0	3	7	7	17
	% of Total	0.00%	0.00%	4.24%	8.14%	8.14%	20.52%
Accountability	Count	3	0	9	23	31	66
	% of Total	4.24%	0.00%	10.20%	21.36%	24.20%	60.00%
Total	Count	5	4	14	35	43	100
	% of Total	5.64%	4.24%	15.64%	36.05%	37.78%	100.00%

From the study it was found that accountability had the highest influence on the achievement of competitive advantage distress at 60.00%. This was followed by fairness which had a percentage influence of 20.52% on the achievement of competitive advantages at KenolKobil. The results also established that responsibility had a 14.24% influence on the achievement of competitive advantages. Transparency was found to have the least influence on the achievement of competitive advantage at 4.61%. From the findings, it can be said that there is a direct relationship between the independent variables such as transparency, accountability, fairness and responsibility and dependent variable (competitive advantage).These findings are in support of another study by Linner (2013) who found in his study that commonly applied pillars of corporate governance normally lead to presence of competitive advantage over rival companies.

Multiple Regressions

The effect of corporate governance practices (responsibility, fairness, accountability, transparency) on competitive advantage was estimated by the multiple regressions. From the study it was found that the coefficient of correlation is 96.9; this means that 96.9% of the variation in competitive advantage can be explained by the independent variables. This means that there is a presence of very strong positive relationship between independent and dependent variables. The unaccounted for percentage 3.1% can be explained by other variables that were not utilized by the study. The fact that both the R square and adjusted R square is high can be interpreted to mean that there is a high variation that can be explained by the model hence a good fit model. The results conforms to Zhang et al (2017) who concluded that responsibility, transparency and accountability and as well as responsibility have direct significant relationship with competitive advantage.

The study used ANOVA to test if the regression model was a good fit. From the study it was found that the significance of the F statistics is 0.006^b (it is actually less than 0.05) implying there is significant relationship between independent and dependent variables. From the study it was found that a unit increase in transparency could lead to an improvement in achievement of competitive advantage of the company by a factor of 0.862. It was also found that a unit increase in accountability would lead achievement of competitive advantage by a factor of 1.103. The coefficient results again show that a unit increase in the fairness at the company would lead to an improvement in the competitive advantage by a

factor of 1.101. In agreement, Zhang et al (2017) concluded that responsibility, transparency and accountability and as well as responsibility have direct significant relationship with competitive advantage.
The study again found that an increase an improvement in responsibility could lead to achievement advantage at KenolKobil by a factor of 0.984. At 5% level of significance and 95% level of confidence, all the tested variables had ap-values confidence level of 0.000 for transparency, 0.022 for accountability and 0.040 for fairness and 0.000 for responsibility. The regression results obtained shows that there exists a direct positive relationship between all the variables. It is also clear that accountability had greater influence on achievement of competitive advantage at KenolKobil, this was followed by fairness, responsibility and transparency. The latter having least positive influence on the achievement of competitive advantage. In support of the findings, another study by Zhang et al (2017) found that responsibility, transparency and accountability and as well as responsibility have direct significant relationship with competitive advantage.

Table 3: Results of Multiple Regression Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.969[a]	.939	.934	2.40957

a. Predictors: (Constant), Responsibility, Fairness, Accountability, Transparency

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4970.634	4	1242.659	214.030	.006[b]
	Residual	325.136	56	5.806		
	Total	5295.770	60			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Responsibility, Fairness, Accountability, Transparency

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23.494	3.193		7.359	.000
	Transparency	.862	.119	.305	7.243	.000
	Accountability	1.103	.089	.493	12.410	.022
	Fairness	1.101	.105	.411	10.478	.040
	Responsibility	.984	.129	.329	7.601	.000

a. Dependent Variable: Competitive Advantage

DISCUSSIONS OF FINDINGS

The study found that accountability had the highest positive significant influence on the achievement of sustainable competitive advantage distress. This was followed by fairness which had the second highest significant influence on the achievement of sustainable competitive advantages at KenolKobil. The results also established that responsibility had third highest influence on the achievement of sustainable competitive advantages. Transparency was found to have the least but significant influence on the achievement of sustainable competitive advantage at 4.61%. From the findings, it can be said that there is a direct relationship between the independent variables such as transparency, accountability, fairness and responsibility and dependent variable (sustainable competitive advantage).These findings are in support of another study by Linner (2013) who found in his study that commonly applied pillars of corporate governance has significant influence to the variable as such they (responsibility, fairness, accountability and transparency) normally lead to presence of competitive advantage over rival companies.

CONCLUSIONS AND RECOMMENDATIONS

From the study it is concluded that transparency has influence on the achievement of competitive advantage. This was informed by completeness of information disclosed by the company, belief that transparency is central to that achievement of competitive advantage and by the fact that the board of directors have always worked in harmony during evaluation of business activities to gain competitive advantage. From the study it is concluded that accountability has positive influence on the achievement of competitive advantage. This was supported by respondents' agreement that regular monitoring of managerial and employee performance, acting in good faith and due diligence by employees, embracing mechanisms that ensures each employee is responsible for their actions and making sure that finance team maintains accurate financial statements assisted in achieving competitive advantages.

From the study it is concluded that fairness positively influenced achievement of competitive advantage. This was informed by the fact that respondents agreed that the company believes that embracing ethical practices, that management made sure that ethical codes are blended with business culture and the fact that management understands that it is their duty to have some legal liability towards staff and stakeholders. All these played a key role and positively influenced the achievement of competitive advantage. From the study it is concluded that responsibility positively influenced the achievement of competitive advantage at the company. This was supported the belief that it is the responsibility of BOD to safeguard goals and objectives, the belief that the main goal of responsibility at the company is to maximize return on investment and by the fact that the company had put in place corporate culture mechanisms to enhance conducive working environment. The high agreement level on these statements is, therefore, a pointer to presence of achievement of competitive advantage at the company.

From the findings it is recommended that there is need to enhance transparency as many respondents were of the opinion that the transparency standards have not been met in the company. This, therefore, calls for the balancing between openness of processes, financial performance, and decision-making vis-à-vis the secrecy required for competitive advantage in order to protect intellectual, invested capital, and strategic planning.

From the findings it is recommended that the company should promote accountability, through an honest and independent audit committee and independent board that can be able to offer checks and balances, clarify and publicize responsibilities for policy implementation and results, and also establish a high-profile external audit team that can expose any financial misconduct, malpractices and unaccountable practices to help promote competitive advantage.

The study recommends that the management should be responsible in inculcating ethical practices into the culture of the business, and these should be percolated to all levels of company so as to maintain excellent business practices overall. In order to maintain fairness practices, management should develop a Code of Conduct that defines all aspects that are essential to maintaining a high level of integrity in business practices in order to enhance competitive advantage.

From the findings it is recommended that the company should participate actively in an ethical way. For instance, when addressing any kind of negligence or misconduct, it is essential for management to pursue corrective actions to demonstrate the company's responsible behavior. The management should also cultivate and structure a corporate culture that supports all staff.

From the findings it is recommended that the company should focus more on broadening its business lines so as to diversify its sources of income and hence minimize on depending mostly on fuel business. This will result in creation of a value chain better than its competitors and thus continue sustaining its existence in the environment with ever increasing competition. This will also cushion income sources since the market is now regulated a feature that does not encourage fair market forces to control prices.

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