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ETHICAL DISCLOSURES AND STRATEGY IMPLEMENTATION IN NON-GOVERNMENTAL ORGANIZATIONS IN THE ENVIRONMENT SECTOR IN KENYA

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ABSTRACT

The implementation of strategy has been a challenge in the environment sector of Non-Governmental Organizations in Kenya, where only about half of environmental NGOs have implemented their strategic plans despite the fact that many organizations have adopted sustainability reporting, and the effect of ethical transparency on this challenge of strategy implementation has received limited empirical attention in developing economies. This paper has explored the impact of ethical disclosure in the implementation of strategies in non-governmental organizations in the environment sector in Kenya. The null hypothesis of the paper was that there is no statistically significant difference between ethical disclosure and strategy implementation. It was based on Virtue Ethics Theory, which sees organizational effectiveness as a matter of character, integrity and moral consistency, not just rule-following. The paradigm used was a positivist paradigm and the design used was cross-sectional survey. A total of 150 environmental NGOs were randomly selected from 217 registered NGOs in Kenya and one key informant (Programme Manager or Sustainability Officer) was interviewed in each of the selected NGOs using a structured questionnaire with five-point Likert scale. There were 138 questionnaires completed and returned, resulting in a 92 percent return. The Cronbach alpha of the ethical disclosure scale was 0.825 which was acceptable for instrument reliability. The mean of statement is ranged from 3.71 to 3.79 and the overall average mean is 3.75 and standard deviation is 0.93, which showed a positive perception towards ethical disclosure through descriptive analysis. A strong, positive and significant relationship was found between ethical disclosure and strategy implementation through the correlation analysis ($r = 0.715$, $p < 0.01$). The results of the regression analysis showed the effect was positive and significant ($B = 0.312$, $\beta = 0.314$, $t = 9.723$, $p < 0.001$) and the model accounted for 90.2 percent of the variance in strategy implementation. The null hypothesis was rejected because the test statistic was greater than the critical value. The paper concludes that ethical disclosure can happen at the same time as a moral commitment and as a strategic resource, and suggests that environmental NGOs should consider introducing codes of conduct, whistleblower protection mechanisms and publicly available anti-corruption frameworks, along with regular ethics audits.

Keywords: *Ethical Disclosure, Strategy Implementation, Sustainability Disclosures, Environmental Non-Governmental Organizations, Kenya*

1.1 INTRODUCTION

The implementation of the strategy is the part of the strategic management process that turns the formulated intentions into actual activity, and is recognised as being more challenging than the formulation itself. Organizations put their strategy into practice by aligning daily activities with their mission, by allocating financial and human resources to identified priorities, through monitoring of performance against targets and by managing risk systematically (Engert & Baumgartner, 2016). In the non-profit world, these mechanisms are in a resource-dependent and more publicly exposed environment, as non-profits are required to meet the expectations of donors, regulators and the communities they serve at the same time. The quality of the information an organization reveals about itself is consequently important, as the information will influence the trust that flows and upon which stakeholders' cooperation is based (Dhanani & Connolly, 2012).

Ethical disclosure is defined as the open disclosure of moral commitments that regulate the organization's actions, such as codified ethical guidelines, anti-corruption policies, procedures for managing conflicts of interest, whistleblower protection, values based decision making processes and accountability frameworks for ethical behavior. It differs from governance, social and environmental disclosure, because its topic is not the structure of the organization, nor community engagement or ecological impact, but organizational integrity (Aureli et al., 2020). Elsewhere, disclosing ethical commitments has been linked to lower risk to reputation, higher stakeholder engagement and higher levels of achieving strategic goals (Burzillo et al., 2022). The theory that has been put forward in the literature is that credible ethical transparency creates social capital and reduces stakeholder suspicion of organizational intent.

Ethical transparency is especially significant at the regional level, as the enforcement of accountability standards is not uniform across institutions, and organizations need to convey their integrity in a voluntary way. Research in the transition and emerging economies has revealed that companies that consistently disclose ethical information have significantly better implementation results than those that do not, and the transmission mechanism is institutional legitimacy (Masum et al., 2020). Disclosure serves as a mechanism of enforcement where there is no formal regulation; it is a way of making the organization's behavior transparent to those who have to support it for execution. This substitution effect is what makes ethical reporting have a strategic role in the African non-profit context that is not as pronounced in highly regulated countries (Lewis et al., 2020).

In Kenya, environmental non-governmental organizations work in a sector where the donors' confidence in them is very sensitive to the perception of probity and the visibility of anti-corruption and whistleblower arrangements matter materially for their ability to attract and retain funding. While 65% of NGOs report sustainability in their annual reports, only about 54% are able to successfully implement their strategic plans (NGO Coordination Board of Kenya, 2023). While research on Kenyan NGOs has proven that good accountability mechanisms improve the performance of these organizations (Mutua & Ibembe, 2020), the impact of ethical disclosure on the implementation of strategies in the environment sector has not been separated and tested. This paper fills in that gap.

1.2 PROBLEM STATEMENT

Despite the progress made in the field of environmental management in Kenya, a challenge that has persisted is the implementation of the strategy, especially in terms of mission alignment and allocation of resources (Thuranira & Munene, 2018; Nini & Kihara, 2023). While many of these organizations now have sustainability metrics included in their annual reports, about one out of every two is not able to successfully implement its strategy. 72 percent of environmental NGOs say they have challenges in aligning donor expectations, regulatory requirements and community priorities during implementation, while 68 percent of the sector experience resource allocation inefficiencies, with the mismatch between stated strategic priorities and resource allocation patterns continuing (Kenya Institute of Management, 2023).

There is also a gap in the ability to track and review the implementation of the strategy as only 63 percent of environmental NGOs have the capacity to monitor their performance (National Environment Management Authority, 2023). While 78% of these collect some form of performance measure, only 41% use these measures to inform strategic decision making (Kenya Community Development Foundation, 2022). Risk management is a similar challenge, as environmental NGOs have to identify, assess and mitigate operational, financial and reputational risks stemming from often complex and conflicting regulatory frameworks and 57% are struggling to turn risk identification into effective day-to-day mitigation. Integrity risk is at the heart of this grouping of reputational risks, but it is rarely considered as a disclosure issue.

This gap is not addressed in the literature available in three respects. In the context of Kenyan NGOs, strategic planning has been studied at county level (Mailu & Kariuki, 2022) but the impact of ethical transparency in delivery has not been isolated. Conceptually, the existing studies have been focused on the operational attributes of NGOs without an attempt to link the disclosure practices with the strengthening of execution (Mutua & Ibembe, 2020; Leonard, 2024). In terms of methodology, the research studies carried out in the sector have been predominantly qualitative in nature, and have not yielded the quantitative evidence required to determine the factors that make implementation effective (Ebenezer et al., 2020; Odhiambo & Njuguna, 2021), which aligns with the need for rigorous empirical research on sustainability disclosure in developing economies (Tauringana, 2021). In response to this, this paper examines the impact of ethical disclosure on strategy implementation.

1.3 RESEARCH OBJECTIVE

To establish the effect of ethical disclosure on strategy implementation in non-governmental organizations in the environment sector in Kenya.

1.4 RESEARCH HYPOTHESIS

H01: Ethical disclosure has no statistically significant effect on strategy implementation in non-governmental organizations in the environment sector in Kenya.

2.1 THEORETICAL FRAMEWORK

This paper is theoretically anchored in Virtue Ethics Theory, which is a philosophy based on Aristotle and re-stated by MacIntyre (1981) and Foot (2001). The theory situates moral action in moral character, and in virtue and excellence, and sees moral action as stemming from the development of stable moral dispositions (such as integrity, honesty, justice, prudence, and courage) that inform moral judgment in challenging situations (Kaptein, 2008). Applied to organizations, the theory suggests that organizations that foster and exhibit these dispositions earn moral authority and that this authority, in turn, leads to the successful implementation of strategy, in which legitimacy and community acceptance are factors of successful operations (Moore, 2012).

This theory applied to sustainability reporting suggests that ethical reporting transforms organisational virtue into something that can help achieve mission and manage stakeholder relationships (Hartman, 2013). Ethical disclosures are the most direct approach to addressing the virtues of integrity, honesty and moral courage, both by publishing information concerning anti-corruption safeguards and by establishing conflict of interest arrangements and values based decision processes that govern conduct under pressure (Alzola, 2012). The theory also argues that virtuous behaviours must be sincere and not just done for show, meaning that disclosure will only have an effect if it is a genuine commitment from the organization and not just impression management or the minimum required by law (Beadle & Knight, 2012).

The theory has particular explanatory power for environmental NGOs, which have as their mission the care of the environment and service to their communities, and in which moral concerns often exceed legal obligations. The trust engendered through consistent behaviours, the decrease in resistance experienced in the process of execution and the alignment of organisational behaviours with the moral values that are benefactors' and funders' priorities are the three sources of the improvement in the execution of the mission. Virtuous organizations demonstrate congruence between their words and actions and this congruence creates the credibility that helps to facilitate implementation by minimizing cynicism from stakeholders.

One criticism of the theory is that it is culturally relative and subjective; that virtue is understood differently across different cultures and regions, and that it is difficult to establish universal moral rules for organisations in different settings (Moore, 2012). It has also been argued that a character-based approach to ethics is impractical for organisational decision making, for example when virtues clash, or when systematic rather than individual ways of being ethical are needed, and that the theory has little to say about institutional and structural factors that influence organisational behaviour without relying on individual character (Alzola, 2012). These objections point to actual restrictions on the scope of the theory.

The theory is nevertheless still useful for the current purpose as virtue is considered both valuable in itself and effective in action, which is suitable for organisations whose remit is about people and the environment. Those who define and publicize virtues, including by full disclosure, build up moral capital, a social currency which will help them access resources, form partnerships and enhance strategic position compared to those not perceived as having moral integrity. The theory also suggests a cycle whereby ethical reporting breeds ethical behavior, which leads to better reputation and stakeholder interest, which leads to a larger ability for the organization to execute.

2.2 EMPIRICAL LITERATURE

Burzillo et al. (2022) studied the users of corporate sustainability reports within the organizations of various industries, using survey and content analysis to see how ethical disclosure practices influence stakeholder behaviour and how they facilitate implementation. They developed an ethical disclosure index that included anti-corruption policies, conflict of interest management and transparency in values based decision making, and implementation success based on stakeholder satisfaction scores and implementation of strategic objectives. Organizations that had more advanced ethical disclosure systems had significantly more successful implementation ($c = 0.367$, $p < 0.05$), and stakeholder credibility and organizational trustworthiness were the key mediating factors. It was concluded that, ethical disclosure can enhance the effectiveness by creating social capital and decreasing suspicion of organizational intent. It is the focus on report usage and the lack of discussion of the individual disclosure elements and how they function in mission oriented environmental organizations.

In a mixed methods research study based on comparative case studies in Europe and regression analysis to test the relationship between ethical disclosure behaviour and governance performance in execution, Aureli et al. (2020) examined the regulation and enforcement of non-financial reporting. They used quantitative disclosure quality measures and qualitative interviews with organizational leadership to determine the entry of ethical transparency into strategic decision making. Results indicated a significant positive association between the comprehensiveness of ethical disclosure and the success of implementation ($r = 0.71$, $p < 0.05$); the closer the relationship between ethics and action, the more comprehensive the ethical disclosure was. The study showed that ethical disclosure helps in the implementation process because it establishes better internal accountability mechanisms and the trust of stakeholders in the integrity of the organization. The gap is in its European focus and its narrow scope of understanding of the role of ethical disclosure in a context where institutional structures and cultural norms vary significantly.

Abdi et al. (2022) examined how sustainability disclosure affects the value and financial performance of the airline industry over a five-year period by studying companies in the industry, looking at the role of ethical disclosure behaviour in the success of the implementation. The methodology included detailed content analysis of sustainability reports, focusing on the ethical aspects, as well as indicators of the effectiveness of implementation such as financial performance indicators and stakeholder engagement rates. Those organizations with good ethical disclosure policies were 1.9 times more likely to implement their strategic plans successfully (OR = 1.87, 95% CI [1.34, 2.61]), which was explained by the maintenance of stakeholder trust and legitimacy for the organization. The study found that ethical disclosure can be used to help implementation as it can minimize reputational risk and incentivize stakeholders to work together in strategic action. It has not been focused on the operation of ethical disclosure in non-profit settings where ethical mission elements are central, which is its industry specific focus.

Elmghaamez et al. (2024) investigated the link between Environment, Social and Governance (ESG) disclosures and the financial performance of multinational organizations in emerging markets using instrumental variable estimation to overcome endogeneity in the estimation of the impact of ethical disclosure on the implementation. They used comprehensive measurement systems to capture ethical disclosure and used a difference in approach to compare the implementation outcomes before and after disclosure strengthening programmes. Ethical disclosure was found to have significant positive impact on implementation success (Cohen's $d = 0.48$), with board standing committees as important moderators of the relationship. The study concluded that ethical disclosure is a way of improving governance oversight and mechanisms for accountability of stakeholders that supports strategic action over time. The research gap is in its focus on multinational corporations, and exclusion of smaller organizations, such as environmental NGOs, that have different governance and stakeholder relationships.

Using systematic review methodology and statistical synthesis, Al Hawaj and Buallay (2022) investigated the impact of ethical disclosure on its implementation in organizational contexts through a sectorial analysis of sustainability reporting worldwide. Their approach was to conduct a thorough database search and quality assessment process to determine the effectiveness of ethical disclosure in different institutional settings. Results showed that there were consistent positive relationships between ethical disclosure practices and success of implementation, by sector ($F(3,194) = 16.82$, $p < 0.05$, $R^2 = 0.206$). The authors noted that ethical disclosure helps with implementation both through reputation management and risk reduction, thus setting conditions for strategic initiatives to be executed. The difference is due to the meta-analytical method, as it combines the results of very different organizations and may thus hide processes that are specific to the sector, such as the special function of ethical disclosure in environmentally oriented NGOs.

In their cross-organizational study, Masum et al. (2020) explored the voluntary and sustainability reporting in transition economies in five developing countries using an institutional theory framework and regression analysis to determine the impact of ethical disclosures in the implementation of the reporting in dynamic institutional contexts. They included both objective measures of implementation effectiveness and stakeholder surveys on the effectiveness of the measure as well as longitudinal observation of ethical disclosure development in their design, which spanned 4 years. Organizations that consistently disclosed ethical issues in a transparent manner were significantly more successful in implementation ($M = 76.8$, $SD = 14.5$ versus $M = 58.3$, $SD = 18.2$; $t(132) = 6.34$, $p < 0.05$), and institutional legitimacy was the mechanism that facilitated stakeholders' support and resource availability. The authors concluded that the ethical disclosure builds trust among institutions and decreases the transaction costs of stakeholder relationship management. The difference is the wide range of the transition economy framing and the lack of focus on the environmental NGOs in particular.

Rajesh and Rajendran (2020) have identified cause and effect relationships between the variables using structural equation modelling. They used a multi-dimensional approach to measuring ethical disclosure and measuring the success of implementation, using triangulated data from financial reports, stakeholder surveys and external reviews. Results indicated that ethical disclosure practices were significant predictors of successful sustained implementation and mediation analysis revealed that stakeholder trust and organizational reputation were the mechanisms through which the effect occurred (indirect effect = 0.23, $p < 0.05$). The study found that ethical disclosure will lead to better implementation as a result of improved stakeholder relationships, reduced operational risk, and improved internal coordination around shared values. The research gap is the quantitative nature of the research which does not reflect the qualitative processes through which ethical disclosure becomes part of the routine implementation decision in mission driven organizations.

2.3 CONCEPTUAL FRAMEWORK

The theoretical model is independent variable is ethical disclosure and the dependent variable is strategy implementation. Ethical disclosure is made effective by the existence of documented ethical guidelines, anti-corruption policies, conflict of interest management procedures, whistleblower protection mechanisms, values based decision making and accountability frameworks for ethical conduct. Mission alignment, resource allocation, performance monitoring, risk identification, plans to operational activity and risk management frameworks and attainment of conservation goals operationalise strategy implementation. The arrow represents the hypothesized relationship that is directional, in this case, ethical disclosure has a significant impact on strategy implementation in environmental NGOs in Kenya.

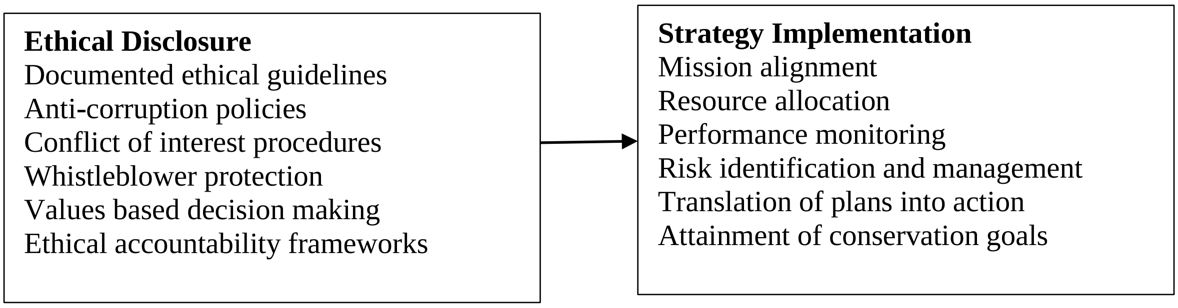

Figure 1: Conceptual Framework

3.1 METHODOLOGY

The research paradigm was positivist because the reality is assumed to be independent of the human senses and can be measured objectively by using scientific investigation (Creswell & Creswell, 2023). The paradigm was appropriate for the study since the aim was to build causal relationships between ethical disclosure and implementation of the strategy through quantitative measurement and statistical association, the variables were operationally defined, measured in standardized form and analyzed using standardized procedures, hypotheses were tested and generalizable conclusions drawn (Saunders et al., 2023). A cross-sectional survey design was used, which allows for data to be gathered from a number of respondents at a single point in time and offers a snapshot of the disclosure practices and how they relate to the effectiveness of implementation throughout the sector (Bryman & Bell, 2023).

The target population included the 217 registered environmental non-governmental organizations (NGOs) in Kenya as identified by the NGO Coordination Board (2023) including climate change mitigation and adaptation, biodiversity conservation, water resource management, waste management and recycling, and environmental education and advocacy in all 47 counties. Stratified random sampling was used, and Yamane (1967) formula for finite population at 95 percent level of confidence with 5 percent of error gave the sample of 140 organizations, which was extended to 150 to allow for non-response. One key informant was selected in each sampled organisation, which is either the Programme Manager or the Sustainability Officer, because they possess both knowledge and experience of disclosure practice, and direct engagement in the execution of the strategy (Sekaran & Bougie, 2020).

The data collection instrument was structured self-administered questionnaire, which was divided into four sections: demographic characteristics, disclosure dimensions, organizational culture and strategy implementation, with items measured on a 5-point Likert scale from strongly disagree to strongly agree (Hair et al., 2021). To determine clarity and the appropriateness of the response scale and preliminary reliability, a pilot study was carried out with 15 environmental NGOs that were not included in the main sample. The Cronbach alpha value for the ethical disclosure scale was 0.825, and for strategy implementation was 0.834, which is above the acceptable value of 0.7, thus indicating internal consistency for both scales. Questionnaires were delivered using a mixed-mode method (face to face in urban centres and online to organisations in remote areas) and a follow-up reminder was sent weekly for four weeks.

Descriptive and inferential statistics were used for data analysis and computed in SPSS. Descriptive analysis involved the calculation of frequencies and percentages, means and standard deviations, with mean scores interpreted as signifying a negative perception (1.0-2.4), inconclusive perception (2.5-3.4) and positive perception (3.5-5.0). Pearson product-moment correlation was used to determine the strength and direction of the relationship between ethical disclosure and strategy implementation while multiple linear regression was used to determine the marginal effect of each disclosure dimension. Shapiro-Wilk tests were run prior to the inferential analysis, and significance values exceeded 0.05 for all variables, the scatter plot showed the variables were linear, and tolerance and variance inflation factor values indicated that there was no severe multicollinearity. Participation was voluntary, informed and confidential and ethical clearance was obtained.

4.1 RESULTS AND FINDINGS

A total of 150 questionnaires were administered to the key informants of the environmental non-governmental organizations (NGOs) targeted in the study. One hundred twenty of these were returned, 138 of which were completed, resulting in a 92 percent return rate. According to Mugenda and Mugenda (2003) and Kothari (2022) a return rate of 50 percent is sufficient for analysis and reporting, 60 percent is good and 70 percent and above is very good; Babbie (2004) notes that return rates of more than 70 percent are excellent in social science survey research. This rate was higher than the recommended rates and rated excellent. This is due to the mixed mode collection approach, the pre-contact with organisations via introduction letters and follow-up phone calls and the targeting of senior officers directly responsible for reporting and implementation.

4.2 DESCRIPTIVE STATISTICS

The goal of the study was to determine the impact of ethical disclosure on strategy implementation in environmental NGO's in Kenya. Respondents' agreement with statements regarding ethical guidelines, anti-corruption policies, conflict of interest procedures, whistleblower policies and accountability mechanisms for ethical conduct were measured using a five-point Likert scale. The publicly available and well documented ethical guidelines received a 58.7 percent agreement and 8.7 percent disagreement with a mean score of 3.72. The highest disagreement (10.8 percent) and the lowest mean (3.71) was found in the statement on transparent and regularly communicated anti-corruption policies. The documented conflict of interest management procedures statement had a mean score of 3.78 and 62.3 per cent agreement.

The mean score for the statement on publicized whistleblower protection mechanisms was 3.75 with 58.7 percent agreement and 8.7 percent disagreement, and the highest mean score in the construct was for the statement on transparent values based decision making with 63.1 percent agreement, 7.2 percent disagreement, and a mean score of 3.78. The highest mean (3.79) and agreement (62.4 percent) in the construct was for regular reporting of ethical compliance, while the next highest mean (3.75) and agreement (61.6 percent) was for transparent accountability frameworks for ethical conduct. Table 1 shows the descriptive results of the ethical disclosure.

Table 1: Descriptive Statistics for Ethical Disclosure

Statements	SD	D	N	A	SA	Mean	Std. Dev.
Our organization has well-documented ethical guidelines that are publicly available.	0.0	8.7	32.6	37.0	21.7	3.72	0.90
We have transparent anti-corruption policies that are regularly communicated.	1.4	9.4	29.0	37.0	23.2	3.71	0.98
Our conflict of interest management procedures are clearly documented.	0.0	9.4	28.3	37.7	24.6	3.78	0.93
We have established whistleblower protection mechanisms that are publicized.	0.7	8.0	32.6	33.3	25.4	3.75	0.95
Our values-based decision-making processes are transparent.	0.7	6.5	29.7	40.6	22.5	3.78	0.90
We regularly report on ethical compliance.	0.0	8.7	29.0	37.0	25.4	3.79	0.92
Our organization maintains transparent accountability frameworks for ethical conduct.	0.7	8.0	29.7	38.4	23.2	3.75	0.93
Average						**3.75**	**0.93**

Source: Research Data (2026)

The respondents had a positive perception of ethical disclosure with means ranging from 3.71 to 3.79 and the variable returning an overall mean of 3.75 and an average standard deviation of 0.93. The results for all seven statements were within the zone that represents a positive perception and the relatively small standard deviation shows that there was a relatively uniform level of agreement across the statements. These findings suggest that, in general, environmental NGOs surveyed had a good practice of ethical disclosure and that it was seen as facilitating strategy implementation. The finding aligns with the Virtue Ethics Theory (MacIntyre, 1981; Moore, 2012) which says that the organizations that develop and communicate strong ethical values, they build an internal environment of integrity that fosters disciplined execution and with Kaptein (2008) and Mutua and Ibembe (2020).

4.3 CORRELATION ANALYSIS

Correlation analysis was conducted to examine the strength and direction of the relationship between ethical disclosure and strategy implementation. Pearson's product-moment correlation coefficient was computed and significance assessed at the 0.05 level, with coefficients interpreted as weak between 0.1 and 0.3, moderate between 0.3 and 0.5, and strong at 0.5 and above irrespective of sign. The analysis served two purposes, providing a preliminary test of the hypothesized relationship prior to multivariate analysis and offering an initial check on the risk of multicollinearity by revealing the magnitude of inter-correlations among the predictors. The correlation outputs are presented in Table 2.

Table 2: Correlation Analysis Outputs

	Strategy Implementation	Ethical Disclosure
Strategy Implementation	1.000	
Ethical Disclosure	0.715**	1.000
Sig. (2-tailed)	0.000	

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

The results indicate that there is a strong and positive correlation of ethical disclosure with strategy implementation (r = 0.715 and p < 0.01). The coefficient value shows that the higher the ethical disclosure is, the better the strategy implementation is, while the highly significant p-value suggests that the relationship is unlikely to be due to chance. Inter-correlations between ethical disclosure and the other disclosure dimensions ranged from 0.426 to 0.446, which is well below the 0.80 threshold where multicollinearity is generally problematic (Hair et al., 2021) and indicated that the predictors were sufficiently different to be included in the regression model. The finding adds to the evidence base about sustainability disclosure in the developing country nonprofit context, where the operative outcomes are not shareholder value, but legitimacy and donor confidence and mission alignment.

4.4 REGRESSION ANALYSIS

Multiple linear regression analysis was conducted to determine the marginal effect of ethical disclosure on strategy implementation while holding the remaining sustainability disclosure dimensions constant. The regression output is shown in three parts: the model summary, the analysis of variance and the regression coefficients. The model accounted for about 90.2 percent of the variance in strategy implementation, as evidenced by an R-squared value of 0.902, an adjusted R-squared value of 0.899, and a standard error of the estimate of 0.270, with the R value of 0.950 and the adjusted R value of 0.899 indicating that the explanatory power of the model is stable rather than inflated by the number of predictors. The overall model was found to be statistically significant in predicting strategy implementation, as the F-statistic was 306.422 with a p-value of 0.000. The results of the regression are given in Table 3.

Table 3: Regression Outputs

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	
1	0.950	0.902	0.899	0.270	
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Regression	89.520	4	22.380	306.422	0.000
Residual	9.714	133	0.073		
Total	99.234	137			
Model	**Unstandardized B**	**Std. Error**	**Standardized Beta**	**t**	**Sig.**
(Constant)	-1.020	0.136		-7.523	0.000
Governance Disclosure	0.292	0.032	0.303	9.067	0.002
Social Disclosure	0.294	0.035	0.281	8.454	0.003
Environmental Disclosure	0.336	0.033	0.339	10.246	0.000
Ethical Disclosure	0.312	0.032	0.314	9.723	0.000

The results of the coefficients indicate that ethical disclosure has a significant and positive impact on strategy implementation ($B = 0.312$, $\beta = 0.314$, $t = 9.723$, $p < 0.001$). With the other disclosure dimensions controlled for, the increase in ethical disclosure was statistically significant and correlated with a 0.312-unit increase in strategy implementation. Ethical disclosure was the second largest contributor of the four dimensions, only surpassed by environmental disclosure, and ahead of governance and social disclosure, when ranked by t-statistic. Based on this result, the null hypothesis was rejected and the alternative hypothesis accepted since ethical disclosure does have a statistically significant impact on strategy implementation in environmental NGOs in Kenya.

It is important to note that the model emphasizes the importance of ethical disclosure, a factor that is particularly relevant in Kenya, where trust in donors is paramount and clear anti-corruption and whistleblower policies have a tangible impact on an organization's ability to secure and retain funding (Mutua & Ibembe, 2020; Lewis et al., 2020). The regression result, together with the descriptive result (average mean 3.75) and the correlation coefficient ($r = 0.715$, $p < 0.01$) shows three converging lines of evidence that transparent disclosure of ethical guidelines, anti-corruption policies, conflict of interest procedures, whistleblower mechanisms and accountability frameworks significantly enhances the execution of strategy in the sector. The negative constant is not a substantive intercept, but rather a mathematical intercept, as a score of zero on all disclosure dimensions is not within the range of the measurement scale.

The finding is in line with the Virtue Ethics Theory which highlights the importance of character, integrity and moral virtue for guiding organizational behaviour and decision making (MacIntyre, 1981; Alzola, 2012; Moore, 2012). The organizations that develop and communicate clear ethics foster within themselves a culture of integrity and accountability that leads to disciplined and credible implementation of strategy. The findings support Kaptein (2008) who validated a measure of organizational ethical culture and showed its impact on organizational outcomes, and Hartman (2013) and Foot (2001) who expressed the relationship between virtue, moral psychology and organizational behaviour. It aligns with Christensen et al. (2021) on the economic implications of sustainability reporting, Aureli et al. (2020) on the role of ethical governance in non-financial reporting and Beske et al. (2020) on the materiality and credibility of disclosure.

5.1 CONCLUSIONS

Ethical disclosure plays a major role in implementing strategies in environmental non-governmental organizations in Kenya. Clear communication of anti-corruption policies, whistleblower mechanisms, conflict of interest policies and codes of conduct lowers the risk of organizational integrity, increases donor confidence, and creates a culture of accountability, which is the foundation for effective implementation. Ethical disclosure serves as a moral commitment and as a strategic resource in an industry where organizations are highly reliant on donor funds and public trust, and where perception of integrity has a tangible impact on the capacity to attract and keep resources. It is therefore concluded that environmental NGOs that institutionalise transparent ethical reporting are better positioned to protect their integrity, maintain funders' trust and act in a disciplined and credible way in implementing their strategies.

These conclusions are limited by several factors in the study. It was based on self-report data from a single key informant in each organization, with the caveat that the data may have been subject to social desirability effects and represent the point of view of one informant per organization and not the point of view of the organization as a whole, given the lack of triangulation of data from multiple informants or documentary sources. The cross-sectional design was used, so it was difficult to make strong causal conclusions or to see how the relationship changes over time. The study was also limited to registered environmental NGOs, and the study did not include unregistered civil society actors or organisations working across various sectors, while external factors like shifts in government policy, donor funding trends and macro-economic conditions were not accounted for in the study.

6.1 RECOMMENDATIONS

Environmental non-governmental organizations should institutionalize ethical disclosure by Environmental non-governmental organizations should establish ethical disclosure, with a complete code of conduct, whistleblower protection mechanisms and publicly available anti-corruption frameworks. Organizations' integrity should be maintained by regular ethics audits and reporting in accordance with the principles of the UN Global Compact, to reinforce donor confidence. Ethical disclosure proved to be a specific area of disclosure that is a particularly strong driver of implementation, ranking second out of the four dimensions of disclosure examined, and organizational leadership should ensure that ethical disclosure is not an occasional or reactive process, but rather part of routine accountability processes.

The present design has causal limitations, and further research should use longitudinal designs that can explore the impact of ongoing ethical disclosure on implementation outcomes over multiple organizational cycles. Comparative analyses of the relationship between NGO sub-sectors (humanitarian, health, education) would identify how the relationship is shaped by sector context. Qualitative or mixed-methods designs, which would triangulate self-reported perceptions with documentary evidence and multiple informants, would shed light on how ethical commitments get into routine implementation decisions, and would mitigate the common-method and single-informant limitations mentioned above.

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