



## **St. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES, MBA PROGRAM**

### **Business Ethics Practices: The Case Ethiopian coffee sport club**

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*December, 2022*

*Addis Ababa*

## **Declaration**

I, Redieat Hailu declare that this project is my original work and has not been presented for award of degree in any other university and that all sources of materials used for the project have been duly acknowledged.

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St. Mary`s University  
School of Graduate Studies

Department of management  
MBA program

Title: Business ethics practices: The case of Ethiopian coffee sport club

By: Redieat Hailu

Under the supervision of: Taye Amogne (PhD)

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Advisor

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## **Acknowledgements**

First of all I would like to praise my almighty God for giving me the potential to complete this study. Then, I wish to express my deepest and heartfelt thanks to my advisor, Taye Amogne (Ass.Professor), who dedicated much of his tight time in advising and encouraging me during the preparation of this study.

I would also extend my sincere gratitude to my friends: Samrawit tirusew, Etalem H/mareyam; To my sister Nardos Besrat, To my wonderful husband Fekadu Abebe and last but not least for my Loving Father Hailu Tessema ; for their invaluable material support, comment and encouragement during conducting this research.

Finally, I want to appreciate Ethiopian coffee sport club`s top manager, human resource department workers, production and quality control department workers, medical and safety department workers and other staffs for giving me the necessary information without which this study would have been never successfully completed.

**Redieat Hailu**

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## Abstract

*In an increasing domestic and international market competition, businesses cannot ignore ethics due to the risk to their reputation and increasing internal and external pressures (Manuel G. Velasquez, 1992). This realizes the significance of the study. The study was conducted at Ethiopian coffee sport club with the general purpose of examining the business ethics practices of the company. Since business ethics determines the success of the business organizations, ethics has to be included in their corporate values. Hence, businesses should consider at least some major ethical issues. In this study, four business ethical issues were explained and explored, Viz; Ethics as related to product safety was dealt by determining the controlling mechanism of product's hazard to consumers by the factory. Employee health and safety program of the company was explored. Contributions of the company to local community development program were pointed out. Finally, the attitude of the company towards environmental protection and the mechanism they are using to reduce the pollution of the environment were highlighted. In the study, background of the organization was included. Concerning the above business ethical issues, related literatures were reviewed. Data were collected using questionnaire; interview and document review techniques and presented using tables and charts, and analyzed using percentage. Finally, after thorough analysis of business ethics practices of Ethiopian Coffee sport club conclusions were made and recommendations were also forwarded based on the observed gaps and problems.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Ethics is the discipline dealing with what is good and bad and right and wrong or with moral duty and obligation. In the words of Hurn(2008) ethics is considered as the study of “human duty in its wider sense”, underlining the common thread of the recognition of obligation and acceptance of responsibility for how one’s actions would impact on other people. According to McGee (1992), businesses are not only economic relation created by the exchange of goods and services, but also moral relationship. As a result, businesses around the world are designing and implementing business ethics program to address the legal, ethical, social responsibility, and environmental issues.

By addressing these issues in a systematic way, enterprises can improve their own business performance, expand opportunities for growth, and contribute to the general social welfare. In addition to this, markets become free and remain free if their players are responsible and respect the basic values of honesty, reliability, fairness and self-discipline. To nurture these free markets, businesses need to promote good business ethics and also as to comply with government policy with relating to market oriented legal framework.

Great deal of interest in codes of ethics exists in both the business community and the academic community (Bruce R. Gaumnitz and John C. Lere, 2004). Mohamed M. Ahmed, Kung Young Chung, John W. Eichenseher (2003) also concluded that with the growing interest and debate surrounding "Globalization", no one can underestimate or push aside the crucially of the perception of ethical behaviour of business. The problem is not only the concern of business firms, but far more importantly, it draws into the picture politicians, government officials and various national and international pressure groups.

In a globalized world, the importance of business ethics is greater than ever. The reasons for running ethical businesses are only going to get more compelling—as well as more complex over the coming decade. According to Ghillyer (2011), business needs to be truly acting in a way which goes beyond purely profit-based motivations, towards a model which works for everyone - what they call the Triple Bottom Line: People, Planet, and Profit.

Businesses are not only economic relations created by the exchange of goods and services, but also moral relationships. Businesses are joined at the hip with the other part of the society, community and the government at large. Companies are often advised to operate within the tolerable business climate zone in a way that doesn't impair or harm the interest of stakeholders. This led businesses all over the world to scheme and execute business ethics programs to address ethical, societal, legal and environmental issues which are mainly aroused as a result of business's day to day operations.

As a result, during the three decades following the sixties business ethics has become catchword in developed countries all over the world. In many instances it has indeed become more than a catchword it has become part of the corporate culture of many leading business companies. Nevertheless, when one looks at developing countries, the situation is somewhat different. However, business ethics should indeed become an integral part of business culture in all, and therefore also in developing countries (G.J. Rossouw, 2010, pp. 2). This of course does not mean that there are no examples of moral business culture in developing countries. Some big corporations in developing countries, especially those Multinationals, indeed adhere to ethical codes and standards.

In comparison to developed countries, however, the number of such morally committed companies is very few (G.J. Rossouw, 2010). According to McGee (1992), businesses are not only economic relation created by the exchange of goods and services, but also moral relationship. As a result, businesses around the world are designing and implementing business ethics program to address the legal, ethical, social responsibility, and environmental issues. By addressing these issues in a systematic way, enterprises can

improve their own business performance, expand opportunities for growth, and contribute to the general social welfare.

In addition to this, markets become free and remain free if their players are responsible and respect the basic values of honesty, reliability, fairness and self-discipline. To nurture these free markets, businesses need to promote good business ethics and also as to comply with government policy with relating to market oriented legal framework. Business ethics should indeed become an integral part of business culture in all, and therefore also in developing countries (G.J. Rossouw, 2010, pp. 2).

Football (soccer) is facing an ongoing moral crisis, illustrated by different ethical challenges, such as match-fixing, management corruption, and abuse. Although support of (inter)national authorities and football federations is key to tackling these challenges, football clubs are able to proactively strive for change on their own. Through ethics management, football clubs at all levels of play may stimulate an ethical climate in their club, preventing ethical challenges and promoting ethical behaviour. Given this context, this study provides important insight in the influence aspects of ethics management in Ethiopian Coffee Sport Club.

Ethiopian Coffee Sport Club has its origins in 1976, when the employees of Kefa Coffee Processing decided to establish a football club. After gathering the required number of players, the club was registered as Coffee Board Sport Club on the kebele level in order to take part in local tournaments. This study is used to investigate the Business Ethics Practice in Case of Ethiopian coffee sport club.

## **1.2 Statement of the Problem**

The importance of ethical behaviour in business cannot be over emphasized since business depends as much on reputation as on performance. Business ethics is easily being sacrificed for profits. James Wolfe son, former president of the World Bank (PSCGT, 2002) cited that the need for proper governance of companies would become as crucial as the proper governance of countries. Businesses were not concerned with having ethical business operations at work.

Employers were only fused at making profits and an employee was not provided with safety and health equipment and s/he risked getting hurt at work anytime s/he goes about his/her duties. (Christine Gichure, 2006). Many business executives had voiced their support for the idea that a business should be run exclusively with a view to profits or shareholder returns.

Communities and Employees in countries for example had to litigate to obtain compensation for unethical and abusive business operation which in most cases was not successful.

Today, however, most executives would be disinclined to express themselves this bluntly. The increased focus on running ethical business or corporate citizenship, might even give the appearance that corporations may have strayed from the narrow path of profit maximization, focusing instead on a wider or different set of goals. (Kitson and Cambel, 1996) According to Christine Gichure (2006), executives and most companies in Africa seems to still walk in the narrow path of profit maximization. “Africa culture has no regard or concern for ethics or that there has been a gradual loss of the concept of the ethical and moral in contemporary African society, equally problematic is the teaching and promotion of business ethics in organizations”(Christine Gichure, 2006). Mallema (2009) in contrary argued that business ethics in Africa is having a tremendous growth in line with the boost of foreign direct investments of developed countries which drifted company executives from the narrow path into the wider that believe business ethics and profit can go together.

As part of one element of business ethics, product safety is an important issue that needs to be underlined in the relationship between business and consumers. Most consumers lack the expertise to assess the safety of today’s technologically sophisticated products and most rely on the impression they are given by sellers (BekeleGebisa, et, al. 2010).

Therefore, the growing lack of confidence in the market system to protect consumer safety is demonstrated by the increase in consumer protection legislation (Hoffman and Frederick, 1995).As to employees’ health and safety, all workers are entitled to work in environments where risks to their health and safety are properly controlled. Under health and safety law, the primary responsibility for this is down to employers. Employers have a duty to consult with their employees, or their representatives, on health and safety matters.

Employees may be exposed to extreme heat, cold, excessive noise levels, dust, chemical agents, or radiation. According to Brain Harvey (1994), employees should be compensated sufficiently for risk they are obliged to take both through appropriate insurance and social security provisions.

As an entity, businesses can't be in peace while its neighbours are at war or enjoy while its surrounding societies are suffering. They're joined at the hip with the other part of the community and the world at large. Social responsibility focuses on the impact that business activity has on society (Josie Fisher, 2004, pp. 391-400).

In almost every aspect of business, managers face many ethical decisions. This study was therefore designed to fill the gap by seeking to determine the level of ethical knowledge and violations in the Business Ethics Practice in Case of Ethiopian coffee sport club.

The study will shade light on the need for Ethiopian coffee sport club to uphold high ethical standards 'for their own good' and for the good of all club family's and members.

### **1.3 Objectives of the Study**

#### **1.3.1 General objectives**

The general objective of this study is to investigate Business Ethics Practice in Case of Ethiopian coffee sport club.

#### **1.3.2 Specific objectives**

The specific objectives address:

- To identify and analyze the business ethics strategy practiced at Ethiopian coffee sport club.
- To Determine the level at which business ethics affects the success of the Ethiopian coffee sport
- To identify the challenges of implementing business ethics in the operations of Ethiopian coffee sport

- To assess ways by which business ethics principles can be adequately entrenched in Ethiopian coffee sport.

## 1.4 Research Questions

- What are business ethics strategy practiced at Ethiopian coffee sport club?
- To what level does business ethics affects the success of the Ethiopian coffee sport club?
- What are the challenges to implement business ethics in the operations of Ethiopian coffee sport club?
- Does business ethics principles can be adequately entrenched in Ethiopian coffee sport club.

## 1.5 Significance of the Study

This study sought to concentrate mainly on the importance of business ethics to the Ethiopian coffee sport club. Sport organizations cannot ignore ethics due the risk to their reputation, and increasing internal and external pressures. For instance, customers, governments and community are expecting private and public sector sport organizations to be more ethical in their trading policies and business dealings. Hence, it is important for businesses to consider and implement business ethics principles in their activities.

The study could provide bases for the formulation of effective Business Ethics Policies in the Ethiopian coffee sport club. Furthermore, this piece of work will also provide the opportunity for company to assess itself and identify where it stand in terms of exercising good business ethics practices and take corrective actions if necessary. It will also give insights to other sport club in Ethiopia to adopt the recommendations in the formation of effective business ethics measures in their factories as well. The work can also be used by institutions related to policy-making concerning business ethics practices and policies.



## **1.6 Scope and Limitation of the Study**

The study is restricted to focus on Ethiopian coffee sport club and In spite of the fact the subject matter/discipline is too broad, It only focuses on limited business ethics variables, solely; product safety, Employee Health and Safety and Corporate Social Responsibility. In line with this, the study may probably suffer from budget and time shortage. In addition to this, since the study focuses on few business ethics dimensions, it may decrease the degree of applicability in other business. The research is on ethical issues in Ethiopian coffee sport club that was mostly generated from literature. Descriptive research design was conducted and the survey questionnaire was drafted by the researcher and parts from literature and the inputs made from the pilot test. Mean analysis was conducted Respondents were the staff of the various Ethiopian coffee sport club.

## **1.8 Organization of the Study**

The research was done in five (5) chapters. The First Chapter considered an introduction to the work and it showed the background of the study, the statement of problem, the research objectives, questions scope of the study limitation, a brief outline of methodology and the significance of the research. The Second Chapter shows pertinent literature on the subject matter being discussed. Literature on managing business ethics was gathered. The Third Chapter looked at the methodology adopted for the conduct of the research. It included areas like the research design; population and sampling technique. The Fourth Chapter considered the analysis of the findings derived from the research. The Fifth Chapter looked at summaries of the findings and the recommendations made.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter reviewed all literature relating to the subject matter under research. The chapter dealt with the various issues that relate to the performance and ethics. Ethics play an instrumental role in businesses of which soccer/ Sport clubs is no exception. Ethics cannot be underestimated in the field business since it is a key determinant of the economic development of a country.

#### **2.2 Theoretical literature reviews**

##### **2.2.1 The concept of business Ethics**

The concept of ethics is explained as a set moral principles which differentiates between right and wrong (Velasquez, 1996). It is normally considered as normative. This is because ethics gives justification for abstract standard by which people act. According to Garrett and Klonoski (1990), this is normally a person's understanding of whether a decision or act is wrong or right. Ethics in the field of business deals with business situations, activities and decisions which explains issues of right and wrong are discussed (Collins, 1994). Newell (2012) also sees ethics in the field of business as being concerned with understanding moral principles by which business organizations can be evaluated. It also explores its impact on people and the environment as a whole. Donaldson (1989) defines business ethics as the systematic study of morality as far as the field of business and industry.

Therefore, ethics of business can be explained to be a group of individual's honest deeds, as part of the combined, no one saves every form of business while not harming the relationship in the company and the broader environment. The general public has developed interest in the debate of business ethics, corporate social responsibility and is treated as individual and also in a collective form. Question of whether a company has something to do with the ethics of the individual and the collective. Many scholars have disputed the existence of a relationship between ethics and business. This is because people believe that morality can only be found in religion and others also see the relationship between morals and religion. All businesses have a lot of things in common with morality and actions that are considered as moral actions.

There are two basic dimensions of ethics in the field of business. This includes collective and individual ethics. Collective ethics are those that embody the application of decision-making process of the government. It borders on the external issues such as environmental and ethical relationships in the field of business itself.

Individual moral concerns of business ethics rules adhere to the norms of customary business morality. When a person has a moral deficit, it presupposes that such individuals put their personal interest before the collective and legal norms, and before the rules of acceptable business ethics, which can harm the business climate. Personal morality is the central element in a group or collective moral (Costa, 1998).

Ethics in business borders on truth and justice and can be divided into many different segments such as fair competition, the exceptions of the society, social responsibilities advertising, public relation, consumer autonomy and corporate behaviour abroad and in the home country (Clarence, 1977; Rue and Hosmer, 1987). In the area of business, ethics has seen rapid growth similar to that of services market (Cronin and Taylor, 1992).

Kennedy and Lawton (1993) unveils the ethical violations created by service marketing as a result of competition, all in a bid to delight customers. As a result of the growth as far as competition in the market, gaining competitive advantage companies all over the world use cost advantage and value advantage as a way of gaining competitive advantage (Kotler, 1997).

Ethics is a set of moral standards which can be used to judge if human actions and suggestions are good or bad, correct or incorrect, as well as rules of conduct that apply to a certain class of human behaviors and individual moral beliefs (Vee and Skitmore, 2003). In some societies, what is acceptable in one culture may be regarded improper in another. The meanings of words can be vague and even conflicting within the same culture. While ethics cannot be taught, a system for evaluating and deciding on ethical issues could be devised, according to (Sinha, 2007). An integrated approach looks to be the greatest alternative for teaching ethics because it requires the framework's various components.

Indeed, ethics entails more than simply expressing and adopting a code of ethics, or selecting how to implement the code of ethics (Oyewobi, Ganiyu, Oke, Ola-Awo, & Shittu, 2011). Ethics, according to Hassim (2010) and Bowen, Pearl, and Akintoye (2007), entails not just to understanding whether a goal is good, but also emotions, terminology, logic, methods, and judgment that influence people's decisions that affect their own and others' well-being in their daily lives. It's about how we feel, think, and act, not just how we feel, think, or behave. Yet, according to Oyewobi et al. (2011), ethics entails not just assessing whether a goal is desirable, but also making feasible decisions or judging whether a decision is right or wrong after careful analysis. Dealing with ethical norms is tough. It's about someone's conduct as well as the expectations of others, including performance standards.

It is not acceptable for employees of a company to act in any way they choose at work. Clients also see the organization's image, which might include all shades of unethical and ethical behavior. Instead of relying exclusively on financial and managerial concepts, business ethics applies to organizational conduct measurements based on principles of right and wrong (Hartman, 2005). It was formerly believed that business and ethics ought not to be intermingled.

The fleeting concept of "business ethics" has taken on a life of its own. The phrase "oxymoron" has been used to describe it (Mason, 2011; Ray, Hornibrook, Skitmore, & Zarkada-Fraser, 1999).

Nevertheless, it is now widely recognized that business exists to serve the public and meet individual and social needs, and that broad ethical norms apply to the entire world (Vee and Skitmore, 2003; Mason, 2009; Pearl et al., 2005).

Business ethics refers to ethical conduct and a set of moral principles that are shared by both businessmen and the public at large (Ray et al., 1999). Business ethics is divided into two types: normative and descriptive ethics, which deal with ethical challenges and work-related ethical decisions (Mishra and Mittal, 2011). The phrase "business ethics," according to Tow and Loosemore (2009), refers to the moral and legal societal acceptance of company decision-making and intervention in larger society.

Contrary to popular belief, business is led by moral principles. Because it encompasses social behavior, business is governed by moral standards. It explains what people do and discusses personal and professional difficulties, as well as beliefs and norms (London, 2006). Roger (1998), on the other hand, argues that business operation is filled with morality and ethics because the development process involves qualities and ethical code; nonetheless, there is debate and disagreement concerning business ethics, even among executives and business enthusiasts. Unrealistic standards exist in terms of the ethical decisions that businessmen can lawfully make. Preconceived notions about the role of business in society are to blame for these misinterpretations.

According to Toner (2001), the phrase "corporate values" is defined by two categories of values: basic (or personal) values and core company values. Fundamental values such as trustworthiness, transparency, and justice, he identified, offer a foundation within the business for the decision-making process that has a meaningful impact on the firm's success. The organization's fundamental values are principles or beliefs that guide personnel, such as "unrelenting customer focuses," and is something that a company can deem critical to its success.

## 2.4 Business Ethics strategy in sport club

Ethics as a matter of fact is of great importance to the sport club is of good importance because all businesses value the reputation and performance that they have developed for themselves (Brickley et al., 2003). Sport clubs are said to have reputation honesty, integrity, social responsibility, accountability and compliance to promise when the ethics are complete (Solaiman et al., 2007). Ethiopian coffee sport club have to make choices in the gray areas of ethics and under high level of pressure that may damage reputation and may cause financial loss (Carse, 1999).

Accepting bribes in return for loans, lending to connected parties or cheating customers would be claimed as ethical by no bank. It goes the same for sport clubs too...cheating on the game, false accusations of the previous club to be favoured in the current club tryouts, bribes to play in return for playing in the main team..... As a result, honesty and transparency are the very important in the sport sector. Being perceived as trustworthy is a major determinant for the survival of the sport club (Chiami and Fullenkamp, 2000).

Social responsibility is an ethical theory, in which individuals are accountable for fulfilling their civic duty; the actions of an individual must benefit the whole of society. In this way, there must be a balance between economic growth and the welfare of society and the environment. If this equilibrium is maintained, then social responsibility is accomplished.

There are four views concerning the relationship between social responsibility and ethics (as cited in Josie Fisher, 2004, pp.391-400). First, social responsibility is ethics in organizational context (Davidson and Griffin, 2000). Second, social responsibility focuses on the impact that business activity has on society while ethics is concerned with the conduct of those within organization (Boatright, 2000, pp. 360-361 and Trevino and Nelson, 1990). Third, there is no connection between social responsibility and ethics (Shaw and Barry, 2001). Fourth, social responsibility has various dimensions one of which is ethics (Carol, 1991; Ferrell et al. 2000 and Samson and Daft, 2003). Similarly, Ferrell, Fraedrich, and Ferrell, (2005) argued that ethics is one dimension of social responsibility.

For this study, the first view i.e., ‘social responsibility is part of ethics in organizational context’ is adopted since it enables the researcher to deal with social contribution of the organizations as part of business ethics. Ethics is often defined as an underlying principle that would produce an action to prevent a substantial harm to others, when an individual or group has an opportunity to do so for their own benefit (Boddy, 2011).

The concept of an individual’s moral standard is based on our perception it that can injure or severely benefit another (Churchill, 1982). The premises of one’s moral judgment serve as a function to condemn and impede plans or activities that would import unfortunate circumstances unto other people. For one’s self, morality plays the role of restricting selfish actions that would cause harm to others, despite one’s own benefit (Carlson, Carlson, and Ferguson 2011).

In a business perspective, stakeholders are the key people involved in the firm’s operations; mainly the customers, the government, media, and the employees (Carlson et al., 2011). On the standard of morality, stakeholders represent the group that are subjected to potential benefits or harm as brought about by the actions and decisions made by business firms (Churchill, 1982; Boddy, 2011).

Recently, society has identified ethics, quality of work life, and job satisfaction as the three major factors that would determine the competitiveness of a company when it comes to providing benefits to stakeholders (Koonmee, Singhapakdi, Virakul, & Lee, 2010). Based on this, business ethics is then believed to be important for stakeholders to trust the company.

To develop the ethical culture of a company, managers have decided to develop an ethics program (Kaptein, 2009). An ethics program is an organizational control system that aims at promoting ethical values and conducts and discourages unethical acts within an organization (Kaptein, 2009). This study would consider stakeholders as the firm’s customers, employees, other supply-chain companies, communities in which the company operates in, and the stockholders as a special group (Nicholas 2002).

The present study aims to explore the perception of employees on ethics within the organization in order to develop an ethics program. The researcher will focus on the relationship between business ethics and the position held, years of experience, and gender of the employees to properly construct an ethics program that would suit the employees' perceptions on business ethics. Company's stakeholders are the individuals or groups who are directly impacted by the business' operations and decisions, who are candidates for either potential benefits or harm (Elango, Paul, Kundu, and Pandel 2010).

Traditionally, managers are intended to operate as agents for the company's stockholders, wherein the mission of the stockholders must be in accordance with that of the business (Carlson et al., 2011). A good illustration for describing the principle of ethics is the comparison of human life to the life of animals in the jungle, where reasoned ethics are not defined the same way individuals would as compared to animals (Churchill, 1982).

Animals in the wild face conditions in which power, in many forms such as one's strength, speed, being cunning, as well as chance, dictate the length and quality of their lives (Ferrell, 2009; Boddy, 2011). With the higher intelligence of humans, the possibility for the abuse of power is much more of an issue than for an animal's daily life in the jungle. It is an impact that can affect a society's life for a span of many years. In the light of this, the mission of ethics is to ameliorate the abusive use of power and reduce the negative impact of chance in the everyday lives of humans (Elango et al., 2010). Realistically, improving the human condition of stakeholders within the naturally occurring 'human jungle' provides an appropriate test for business ethics (Churchill, 1982).

## **2.5 Ethics and competitive advantage**

Most organizations in their efforts for competitive advantage have resulted in differentiation. This means that there is value and cost leveraging. The degree of value leverage is a determinant of the level of customer satisfaction. The focal point is how value and cost leveraging opportunities can be created. Good ethical practices of a business entity has the



capacity to create higher customer satisfaction, improve the value of its products and attract customers and also gives the organization edge over other competing organizations (Holme, 2008; Solaiman et al., 2007; Cowton et al., 2000), i.e. customers all over the world loyal to organizations that mostly follow code of ethics set for itself. On the other hand, customers become very dissatisfied with those organizations which do not follow any form of codes of ethics and in the long run switch to those organizations that have ethical practice.

Kotler (1997), states that the cost involved in attracting a new customer to an organization is mostly five times higher than the cost involved in maintaining a customer that is already with the organization. It is mostly impossible to convince a customer who is satisfied with a product he is currently using to switch in favour of other alternative products. He also stated that the dissatisfaction of a customer is the major cause of customer switching and goes a long way to affect the company.

Solaiman et al. (2007) states that businesses all over the world ought to must prioritize issues relating to ethics such as compliance of the standard of products and service quality, justified price, empathy of the personnel, dissemination of true information. Ferrel (1989) conducted a study on “A synthesis of ethical decisions models for marketing” where it was emphasized that the business unethical practice related to bribes, deceptive advertising conceal of information creates impact on the loss of public interest in business and customer dissatisfaction. Frooman (1997) stated that the ability of an organization to act legally and have higher ethical standard means that the organization is saving billion annually on lawsuits and settlements.

Studies conducted have also indicated that many organizations have paid so much in the form of penalty for not acting ethically. In these studies it was stated that organizations can save a lot of dollars by acting by acting ethically and also reduce cost. KPMG Report (1999) on “Managing ethics costs benefits: ethics and integrity” stated in their report that for individuals that are involved in management, managing ethically also means that the management has also involve integrity in the management process. Integrity must be fundamental in the activities of all organizations.

It is able to shape and has the capacity to influence the destiny of the organization. Carroll (1991) in his research stated that there is evidence to buttress the fact that organizations that are responsible socially responsible have advantage and powerful reputation over others. Through this literature review it has been clearly shown that a lot of researches have been conducted by researchers regarding how important ethical values and its practice is in the organization and how it positions organizations to gain competitive advantage over other organizations. But the study with extracting the factors of ethical practices leading to competitive advantage specifically in banking is rare.

So, a model of ethical practices for competitive advantage in sports is demanding for organizations how to create competitive advantage by being ethical. This literature gap inspired the researcher to conduct the study.

## **2.6 Importance of Business Ethics**

Business ethics have become a very important topic in the study of business today and the dilemma that comes with ethics have made the subject matter very attracted to many different categories of people. There is massive pressure from some aspects of consumers and pressure groups for business to produce goods and services that are produced under ethical considerations and not harmful to the environment. Media companies and personnel's around the world are now showing a keen interest in wrong doings and unethical practices by corporate institutions.

More so, firms gradually understand that becoming ethically mindful can have a good impact on business. All organizations are confronted with ethical issues regardless to the field in which they are operating.

Several reasons add up to the increasing importance of ethics in business as a field of study in academic work or as a practice in the organizational setting. The following are the reasons why a thorough understanding of ethics in business is relevant in recent

times. The power and influence of businesses in the world today has become greater than ever before. Research has unveiled the fact that many people are not comfortable with that development (Bernstein 2000). For instance, a poll conducted in more than 20 developed and leading economies in the world has indicated that over 75% of its respondents believed that large corporate bodies and organizations have too much influence on their government in decision making (Cywinski 2008). Understanding ethics in the field of business helps to unveil why these things happen in business. It also makes us aware of the likely implications and also the necessary remedies that are available to organizations if they do occur.

Businesses all over the world have significantly affected society by the provision of services and the products that we use in our daily lives. It gives employment to the teeming unemployed youth, increases revenue to the state in the form of the payment of tax. It also serves as the force that propels economic growth in a nation. How, or indeed whether, this contribution made raises significant ethical issues that go to the heart of the social role of business in contemporary society. As a 2008 global survey conducted by McKinsey shows, about 50% of business executives think that corporations make a mostly or somewhat positive contribution to society, whilst some 25% believe that their contribution is mostly or somewhat negative (McKinsey Quarterly 2008).

Malpractices in organizations have the potential of bringing huge harm on people, communities and the environments within which they are located. Though helping us to understand more about the causes and the disadvantages of these malpractices, business ethics seeks, to improve the human condition. Pressure on corporate bodies and institutions to adopt ethical measures and practices is becoming more heightened and more difficult. In order to fully appreciate and understand the difficulties, it is imperative to fully understand the concept of ethics in business to make its usage more efficient and effective. A small number of business executives have received few formal training and education on business ethics.

A manager with a considerable knowledge in business ethics has the skill to make decisions that are ethical and acceptable in order to diagnose, analyze, and provide solutions to the ethical problems and dilemmas they are confronted with.

The violation of ethics in the field of business cuts across all sectors; For instance, a recent survey of over 1,000 UK employees drawn from both the public and private sectors found out that one out of every three employees feels their employers are being unfair to them. Another survey that was conducted in Hong Kong among nearly 2000 executives reveals that more than 40% of them who have their operation located in China have been faced with fraud. Ethics in business affords us the capacity to explore the various reasons behind such an infraction and the way and manner in which problems can be resolved by managers, regulators, and others interested in improving business ethics.

Business ethics can provide us with the ability to assess the benefits and problems associated with different ways of managing ethics in organizations. Finally, business ethics is also extremely interesting in that it provides us with knowledge that transcends the traditional framework of business studies and confronts us with some of the most important questions faced by society. The subject can therefore be richly rewarding to study because it provides us with knowledge and skills that are not simply helpful for doing business, but rather, by helping us to understand modern societies in a more systematic way, can advance our ability to address life situations far beyond the classroom or the office desk.

## **2.7 Essence of Ethical Behaviour**

A behaviour that is seen as ethical is mostly as a result of the values attached to it by the society and legislations that support it. The main role of the legislative, executive and the judicial arms of government is to protect the health and security needs of the citizenry and also provide all required amenities and infrastructure that will protect all from criminal or harmful activities or practices that can harm any citizen.

Legislations are mostly supported by codes of conduct to ensure strict adherence in order to avoid going against the law. Such codes are often seen or experienced in quasi-public organizations or associations such as the bar, accountants, medical practitioners and other professional bodies. Schools or any institution for education also maintain such codes of conduct that guides all in that setting or community and activities of most business schools have given an attestation to this effect. There is a lot more introductions of courses that tackle ethical concerns and how it can boost or increase performance in both public and private institutions.

The study of ethical behaviour is mostly considered to be doing the right thing and not about measuring the profits it brings to the business. However, several works have tried to associate some financial gains that can be derived from ethical behaviour and being socially responsible.

Studies have been done quantitatively and using perceptions but all had methodological shortcomings since it could not show any relevant measure of the financial gains as a result of business ethics. Although mostly the methodology in this research is not very accurate, most of them give an indication that entrepreneurs and business that practice the ethics of business enjoy higher financial gains in the form of business experience in the form of integrity which is the bedrock of sustainable business which leads to higher value of shareholders worth. The study based on perception also shows consistent benefits in different countries, cultures and industrial settings. It is becoming known over the years that ethical business in the long run are successful than those that are not.

Recently, research has given relatively stronger and better evidence to the effect that better corporate governance and sound ethical practice brings about improved business success. Two survey by McKinsey (global investor survey 2002, and global survey of business executive: Business and society 2006) had an interview with more than 200 organizational investors who together manages about US\$2trillion in assets and have 4,238 business executive. The first shows greater governance standards that are premiums around 12-14% in Africa, North America and the Western part of Europe.

It was interestingly seen from the second research that more than half of the above mentioned executives employ Public Relation Officers (PROs) and personalities that lobby as strategists in order to control the several social and political issues facing the organizations. A greater number of respondents however indicated that better strategies are found in the nurturing of ethical standards and procedures and can greatly improve transparency about the dangers of using a product (Khang, 2005). It is likely that organizations that follow best practices will be proactive and can adequately effect change by accepting to improve the standards of ethics of business.

## 2.8 Institutionalization of Ethics

Managers, most especially those in top decision making positions have the responsibility of creating an organizational environment increases ethical decision making by institutionalizing them or making them compulsory at the work place. This presupposes that ethical concepts have to be applied in the daily lives of the people. This can be accomplished in three ways namely, by establishing an appropriate company policy or a code of ethics; by using a formally appointed ethics committee; and by teaching ethics during management development programmes (Koontz and Weinreich 2006: 45-46).

However, the most prominent and common way by which we can institutionalize ethics is by putting in place a set of codes of ethics and conduct; much common is putting in place a committee that will superintend over issues relating to ethical conducts in the organization. Management development programmes dealing with ethics issues are seldom used. A publication of code of ethics, which include ethics criteria in performance appraisal, is necessary. Moreover, certain firms connect compensation and rewards to ethical behaviour. Managers should also take any opportunity to encourage and publicize ethical behaviour. At the same time, employees should be encouraged to report unethical practices.

## 2.9 Code of Ethics

Corporate citizenship and low-risk company ethics profiles start with a corporate code of ethics. As ethics in business have changed, the field of business has experienced increase over the past years. Codes of ethics have become the determinant of the actions of people at the workplace. It is however important to state also that developing a code of conduct is by no means the only source of prosecuting the ethical objectives of an organization. Although codes of ethics seems to be the very first approach employed by managers of organizations, if the code is implemented and drafted in a single instrument, the organization will not have optimum benefit from the set of codes of conduct. The main disadvantage is that individuals working in an organization may develop a wrong sense of judgment and protection. This is because workers in an organization will begin to feel that they are being prevented from exercising personal discretion on the job or being able to determine what is right and wrong.

The code of ethics of an organization stipulates the core values and it's believed system and makes sure that they are consistent with the mission and vision of the organization. It normally states the how individuals working in an organization should behave and gives a value system by which all members in an organization must operate and which workers in an organization must uphold any time they are dealing with stakeholders of the organization. The stakeholders may be both internal and external in nature.

The code of ethics drafted for an organisational becomes the medium within which both managers and employees operate in an organization. It also determines the medium and long term goals of an organization by communicating the core values of the organization to the outside world. It also serve as a source of pride to employees working in such organization that has clear cut processes by which the organizations operation must be carried out and determines the behaviour and activities of both management and other employees in an organization.

A code of conduct of an organization that has been well written has the capacity to address ethical failures of an organization and outlines how activities within an organization should be regulated.

Ethics in an organization have been modeled to be able to address environmental issues and also serve as a tool by regulating how people relates in an organization, communication, safety of the products being sold to the customers, how people give gifts and also receives gifts in an organization. It also states what constitutes conflict of interest and corruption among others.

In order for an organization to develop a set of codes of conduct and ethics in the organization, a lot of things ought to be considered and series of decisions have to be taken. This can be done in six phases. It is therefore illustrated below.

Purpose explains why the code of ethics is being drafted. It entails the purpose for which it is being formulated. In order for the organization to have a good draft, it conducts an assessment of risk which determines how the organization move from the existing state of things to the much desired ethical organization it is planning to achieve. Form answers the question as if the code is going to be directional or inspirational in nature, or a combination of the two forms. Formulation Process: once the objectives of the code of ethics are stipulated as the basis of formulating the code, and in close consultation and consensus with the stakeholders who are likely to be affected by the code of ethics that is to be drafted. Content: It involves codifying ethical dimensions that normally becomes integral part of the ethics and culture of an organization.

The tone of voice with which the code is written and disseminated is significant and plays an important role in its effectiveness. It can span from a prohibitive to the one that is positive in nature and is supportive of the purpose for which it is being drafted. Implementation ensures that the code that is drafted is being put into practice and is visible in all the operations of the organization. It is not a one time in the form of written expression to be exhibited for a showcase. Through implementation, the organization must be seen to be operating within the stated codes of the organization (Sullivan, 2009).



## 2.10 Making decisions in business ethics

Ethics does not follow any formal format. It varies from one situation to the other. It is abstract in concept. Therefore, there is no any universal way by which ethical issues can be approached. As the concept of ethics deals with the human being only, because only human being can do anything according to their choice and free will. Ethical decision is one of the result occurred due to the choice. Each and every person has the different viewpoint. Ethical practices of people are also different. Therefore; decisions pertaining to ethics vary from one person to the other. Ethical decision is not uniform it may vary from person to person and situation to situation. For instance, using a construction work, the firm is likely to loss Rs. 3 lakh in a day when work at the site is halted. Being a labour intensive project, a number of persons are engaged in the project. At the construction site, if it should be found out that one of the employees has gone missing during work, work will definitely be stopped in search of the missing employee.

However, should the rest of the employees not being able to find the missing employee within a day or two, the question then arises as to how long will the organization continue to halt production in search of the missing employee? This will however be dependent on the values of the manager and also matters of ethics as it seems right or wrong before him. The ethical decision regarding the situation may be different from another manager. Decision making in a business is one of the important task of the concern. It is the base on which the goal can be achieved properly.

Decision made in the business should be ethical. Ethical decisions are concerned with a judgment about right and wrong. But as Morris (2004) suggests, by using the language of right and wrong, we have already identified that a situation is moral in nature.

So, there is an important process of identification that goes before this whereby we examine situations and determine whether they are characterized by such considerations in the first place. For a business ethical decision should be such that it must be beneficial for the interested parties as well as the society. There are numbers of factors influencing the ethical decision making. An ethical decision is not limited only to them, but affects a wide range of other situations as well.

Similarly, unethical decisions do not end in themselves, but have widespread ramification.<sup>26</sup> Ethical decisions are voluntary human actions. Hence, an act that is considered to ethical or unethical must result willingly from the actions of people without them being forced to undertake the act.

### **2.11 Ethical Principles and Codes of Conducts**

As in the case of inability to develop effective answers to ethical challenges, organizations in the construction sector continue to struggle to find successful strategies to recruit and retain the best individuals and raise their standards of success, efficiency, and service to new heights (Ray et al., 1999). "Civil communities have long emphasized well-recognized virtues; individuality, self-reliance, community engagement, obligation to family, hard labor, thrift, honesty, sobriety, and so on," according to Roger (1998). These qualities are necessary while working with individuals in both commercial and non-commercial contexts.

Hundreds of technical organizations and educational institutions have ethical guidelines that are rooted in a worldview that extends back to the Enlightenment (George, 2006). The purpose of codes is to assign responsibilities to opposing tenderness as well as the major tenderness (client, owner) in order to maintain a balance between what is appropriate for a certain project and what is common sense.

To cope with ethical difficulties in the construction sector, rules of conduct are available. Tendering rules have been developed in Australia's construction industry to handle ethical concerns such as withdrawal, bid lowering, cover pricing, tendering cost compensation, and

collusion (CIOB, 2006). In modern society, government restrictions are growing increasingly stringent and extensive. The application of increasingly tight limitations in the construction industry is concentrated on the preservation of human life. Equal rights, life, liberty, and the pursuit of happiness, as well as safety, are among our society's most universally held ideals, civic responsibility, justice, dignity, the legal system, secrecy, and private property (Sinha et al., 2004). Ethical behavior, according to Masson (2011), is defined by adherence to the following ethical principles:

Honesty - Try to be truthful and avoid behaviors that might contribute to others' deception, either directly or indirectly. Fairness - Do not seek to profit from the exploitation of others, whether explicitly or implicitly. Fair reward - Refrain from taking activities that may deprive another individual of a just reward for their efforts. Reliability – Maintaining your abilities and simply providing services in your sector of competence. Integrity - Consider the general public's interests, especially those who will use or be interested in the project in the future. Objectivity - All potential conflicts of interest should be recognized and disclosed to anybody who might be harmed as a result of them.

Accountability- Give information and cautions about topics about which you are knowledgeable and which may be damaging to those who may be affected. To allow significant action to be done to avoid injury, warnings must be delivered in a timely way. According to Jefferies and Kirk (2004), the NCOP (National code of practice for the construction industry) established nine key ethical criteria to ensure that all project stakeholders performed ethically at all times.

## 2.12 Theoretical review

Next to these three roles of ethical leadership, the distinctness and strong foundation of ethical leadership is formed by the conceptualization's theoretical underpinnings (Lawton & Paéz, 2015). Many theories bear implicit relevance in terms of fostering our knowledge on ethical leadership.

Yet, two ethical leadership theories are essential in regards to our specific understanding of how ethical leadership is (a) formed and evaluated, and (b) able to influence both direct followers as

well as the broader organizational environment (Heres, 2014). These theories are social learning theory (within the broader social cognitive theory) and social exchange theory.

### 2.12.1 Social learning theory

Social learning theory represents one of the most influential theories with respect to explaining ethical behavior. The seminal work regarding this theory dates back to Albert Bandura (1977, 1986), who stated that individual ethical behavior is formed by the combination and interaction of both personal and environmental (socio-cultural) factors. However, the most influential motivation to come to ethical behavior stems from the individual level (Bandura, 1991). Individuals apply cognitive (psychological) processes of self-evaluations to consider if they have to activate self-sanctions concerning the implementation of certain actions (Bandura, 1991).

These self-sanctions are the most effective barriers to avoid engaging in unethical behavior. Nevertheless, these sanctions have to be activated and this is where the social learning comes in (Bandura, 1991). After all, people are not operating in a completely autonomous way in terms of the decisions they make.

In fact, people experience the interplay of the influences of behavior, cognitive processes, and environmental factors (Bandura, 1991). The impact of these environmental factors might be quite extensive, especially when behavior or personal cognitive processes are not that well developed (Bandura, 1991). For example, in the context of football clubs, players with low levels of self-evaluation and self-sanctioning may need the support of their coach to be convinced that certain behaviors, such as criticizing a team player or insulting an opponent, are inappropriate.

In fact, leaders are one of the most significant environmental factors in stimulating moral reasoning and ethical behavior (Brown et al., 2005). People are most likely to turn to other people who operate in their close surroundings to observe the behavioral standards that are executed and promoted, after which they imitate and absorb these standards themselves (Kavussanu & Stanger, 2017a). In summary, observation, imitation, and identification are fundamental in peoples' modeling of their own actions (Brown et al., 2005).

Leaders operate as important and observable environmental influences, not only due to their close position, but also because of their authority. Credible role modeling on behalf of the leaders, both behavioral and attitudinal, is expected to generate the activation of vicarious learning by followers (Brown et al., 2005; Miles, 2012). Cognitive reflexes such as self-reflection and self-sanctions are activated, upon the observation of credible role models, such as leaders (Miles, 2012). Leading by example can be seen as a good metaphor in this context, as the leader is expected to show the right way – to provide guidance – when it comes to ethical behavior (Brown et al., 2005).

Social learning theory has been applied quite extensively in studying ethics in sport (Chow et al., 2009). The value of social learning theory in this regard resides in indicating that ethical behavior “is not simply given by nature,” but the outcome of learning and observing what kind of behavior is common and expected in a given context (Festini, 2011, p. 317).

### **2.12.2 Social exchange theory**

Social exchange theory stipulates that people engage in social relationships with others, starting from the firm idea that doing so will be rewarding for them (Blau, 1964; Miles, 2012). Moreover, central to social exchange theory is the notion of reciprocity, which implies an interdependent relationship between two parties (Cropanzano & Mitchell, 2005). The premise of this interdependent relationship is that, when one party does something positive for the other party, it is expected that this favor will be returned (Cropanzano & Mitchell, 2005). The exchanges linked to this relationship can be both transactional (involving material goods) and socio emotional (involving respect and trust) (Blau, 1964; Miles, 2012).

Social exchange theory has been regularly applied to study the relationships (and exchanges) between leaders and their followers (Graen & Uhl-Bien, 1995). Leaders who provide their followers a caring environment, in which clear communication and support are present, are likely to encounter trustful and respectful exchanges with their followers (Malingumu et al., 2016). After all, followers are believed to reciprocate these positive exchanges with a strongly

motivated attitude and by putting their best foot forward with the organization (Malingumu et al., 2016).

### 2.13 Empirical review

According to Green (1989), the responsibility of the sport club is not only to fan's value but to the government, clients, and staff and to the community at large. Ethical responsibility of sport club is not preserved by limited liability from the reactions of their actions. The ethics perception of companies with regards to their records affects them positively or negatively considering their reputation. However, as the community faces conflicting issues as it evolves, dedication to ethical behaviour might be examined.

Many scholars have revealed strategic challenges faced by companies in this century (Hitt, Keats and DeMarie, 1998). They identified this initiative as a means of building and maintaining competitive advantage as a way of surviving in the global market leadership. In their study, they concluded that to succeed as a bank would depend on strategic leadership and flexibility through core competencies including human capital development, and efficient use of new technologies.

The study of (Parker 1988) provides a deeper background for most of the more contemporary theories in business ethics. The study made by (Kaler 1999), questions the value and the function of ethical theories and in so doing is very readable and through provoking. In combination with a reply by Tom Sorrell in a later issue of the same journal, this debate helps us to understand the potential and the limits of the theories. Recently, however, several authors have noticed a renewed focus on organizational ethics, among them Lynn Sharp Paine (2003), a noted Harvard professor of business ethics. In her book, *Value Shift*, Paine explains that ethics has found its way back onto the agenda of organizational leaders. Trevino, Hartman and Brown (2000) address the question of what it means to be an ethical leader. Featuring the results of a survey of employees it shows the

importance of different dimensions of ethical leadership. A must read for anyone hoping to develop a reputation for ethical leadership.

### **2.13.1 Unethical Behavior According to Developing Countries**

Ssegawa, & Abueng, (2006) conducted a study in Botswana to obtain a feel of how contractors feel about unethical behavior in the industry, and the first statement accepts the result, however the second statement is bad for the code if the new code is successful in addressing unethical practices.

Because of its diverse nature, the Nigerian construction sector, according to Olusegun et al. (2011), is prone to ethical failures, making it necessary for construction professionals to maintain high ethical standards. Alutu and Udhawuve (2009) identified a number of characteristics that may encourage unethical behavior in their study in Nigeria with participants who want to obtain riches through any means to boost public standing rated the most unethical conduct, followed by people who are motivated by their inherent greed for money, by paying negotiated sums of money to officers of awarding organizations. Poverty, an overwhelming desire for money (greed), politics in award of contract, professional lack of professionalism maximizing profit for the Contractor, and favoritism are all listed as reasons of corruption in the study.

Ehsan et al. (2009) discuss the ethical issues that the Pakistani construction industry faces according to the findings of a lengthy and comprehensive study, there was not a single person in the construction sector who had not been subjected to some type of unethical behavior in the form of bribery, unfair conduct, undertaking work beyond capability, favoritism, and overcharging.

While investigating the link between workplace culture and the success of South African construction enterprises, Talukhaba (2009) concluded that there is a favorable association between corporate culture and company performance based on the results of the questionnaire survey. According to Mason (2009), a single industry-wide code could strengthen the sector's ethical standards.

According to a survey done in Malaysia's construction industry, many forms of unethical conduct have a major impact on construction quality. Professional ethics, according to this study, is a requirement for obtaining consistent and reasonable construction quality (Hamzah, 2010). In a survey of construction organizations, Tow and Loosemore (2009) three elements have been identified as influencing ethical behavior: a lack of ethics trainings, reward mechanisms for employees who act ethically, and the industry's limited visibility. Design defects (carelessness and neglect) account for 50% of construction failures in Nigeria, construction problems account for 40% (professional ineptitude and fraudulent practices), and product failures account for 10%, according to (Ameh and Odusami, 2010).

### 2.13.2 Ethical behavior in sport

Ethical behavior in sport is often defined as “a low frequency of engagement in negative social behaviors or unfair play” (Chow et al., 2009, pp. 425-426). A particularly negative approach to ethical behavior in sport is reflected in the way this definition is phrased.

Nonetheless, ethical behavior in sport can be divided into two dimensions, namely a *proactive* dimension (i.e. engaging in prosaically and humane behavior) and an *inhibitive* dimension (i.e. refraining from antisocial and inhumane behaviour) (Boardley & Kavussanu, 2009; Kavussanu et al., 2013).

Theoretical support to explain this twofold dimensionality of ethical behavior is provided by the work of Albert Bandura (1999), who argued that an individual's moral agency is influenced by several psychosocial mechanisms. In particular, the concept of moral disengagement is introduced to indicate that an individual may activate certain mechanisms – such as distortion of consequences, euphemistic labeling, and displacement of responsibilities – when faced with situations in which an ethical decision must be made (Bandura, 1999; Kavussanu & Stanger, 2017a). As a consequence, people may disconnect (disengage) with self-sanctions, personal preservations, and feelings of guilt, and eventually engaging in unethical behavior (Bandura, 1999). Hence, moral disengagement is a process that allows individuals to engage in unethical behavior without feeling bad about it.



Unfortunately, research suggests that football has changed in a negative sense during the last few decades, illustrated by the fact that antisocial behaviors, such as diving, elbowing, and injury faking have become more common than prosocial ones, such as helping an opponent or supporting teammates (Kavussanu et al., 2006; van Hilvoorde et al., 2010). Furthermore, considerable differences are experienced when comparing the thoughts and actions regarding unethical behavior in sport with those expressed outside sport.

Scholars tend to speak about *bracketed morality* in this regard, by which they mean that several mental barriers are likely to disappear the moment someone enters the sport field or engages in a sport-related situation (Bredemeier & Shields, 1986; Kavussanu & Ring, 2016). Bracketed morality indicates that people often transform into less admirable versions of their selves when engaging in sport. More precisely, a winning at all cost mentality is believed to come over them, leading to the neglect of general principles such as respect, and to an increased likelihood of engaging in unethical practices (Kavussanu & Ring, 2016).

Initially, bracketed morality was shown to be present concerning athletes' moral development or reasoning (Shields & Bredemeier, 1995). More recently, the existence of bracketed morality has also been demonstrated in regards to (un)ethical behavior, in numerous settings and relating to different stakeholders. For instance, Kavussanu and colleagues (2013) implied that university students are engaging more regularly in antisocial behaviors (e.g. intimidation and criticism) in sport compared to outside sport, treating their fellow students as opponents on the sport field. Moreover, the work of Smith and Lord (2018) evinced that bracketed morality is not only relevant with respect to athletes, as these authors reveal that fans often accept antisocial behaviors when watching sport (e.g. insults and confrontation), whereas they tend to oppose the same behaviors in most normal everyday situations.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter comprises the research design, population, sample and sampling technique, data collection methods, research procedures, data analysis methods, and in conclusion, the chapter summary.

#### **3.2 Research Design**

A research design is outline or plan that used to generate answers to research problems by collecting and analyzing the required data according to (Cooper and Schindler, 2008), and (Churchill, 2002).

Descriptive, exploratory and causal research designs are three type of research design. Since descriptive studies are concerned with specific predictions, narrations of facts and characteristics concerning individuals, groups or situations this study use descriptive quantitative study.

Quantitative data that will be collect in order to acquire advance statistical analysis of the study. This study will utilize multiple methodologies to achieve an optimum representative sample. Simple random sampling is going to use on this research. A case study approach used to investigate The Business Ethics Practice in Case of Ethiopian coffee sport club.

#### **3.3. Data Collection Methods**

The study used both primary and secondary data collection procedures. Primary data directly collected from the field through interviews and questionnaires .On the other hand, secondary data collected through reading different research, journals and staff records from the other source. This research used questionnaire survey which is the most common method.

## **3.4 Population and Sampling Design**

### **3.4.1 Population**

According to (Cooper and Schindler, 2008), population is defined as the total collection of elements under study whereby references have to be made. The total population of this study includes supporters and employees of Ethiopian coffee sport club in Addis Ababa.

### **3.4.2 Area of the Study**

The study will be conducted at the Business Ethics Practice in Case of Ethiopian coffee sport club. The researcher use different questioners to the respondents such as supporters and employees of Ethiopian coffee sport club in Addis Ababa.

### **3.4.3 Sampling Frame**

Sampling frame is an objective list of the population from which the researcher can make a selection according to (Cox and Hassard, 2005). The sampling frame was obtained from special such studied areas and different department government officials. The sample frame consists of the valid full time employees currently working Ethiopian coffee sport club.

### **3.4.4 Sampling Technique**

The sampling method used in drawing samples from a population was driven by the objectives of the research activity. The sampling process was to be guided by the parameters in the population in line with specific objectives of the study (Cooper and Schindler, 2008). The study adopted simple random sampling to ensure that every one had an equal chance of being sampled, and also to ensure that different age groups were represented. Semi-structured questionnaires were then administered to obtain the necessary data.

### 3.4.5 Sample Size

According to (Cooper and Schindler, 2008) sample size is described as a smaller set of elements from the larger population. Argued that the choice of sample size is governed by the confidence you need to have in your data, level of certainty, and the accuracy. You require for any estimates made in your sample, the type of analysis you are going to undertake and finally the size of the (Mugenda, 2003) total population from which your sample is drawn. To determine the sample size that will be able to capture objective issues, using a simplified formula of (Yamane, 1967:886). The sample computation will be as follows. The sample size used Ethiopian coffee sport club in Addis Ababa

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

Where n= sample size,

N= Total population,

e= sampling error (Usually .10, .05 and .01 acceptable errors, the researcher Uses 0.05 sampling error and 95% confidence level)

The Total population used for this research is 400 and the sample size for this research calculated as  $n = \frac{N}{1+N(e)^2} = n = \frac{400}{1+400(0.05)^2} = 200$

## 3.5. Data Analysis Technique

### 3.5.1 Methods of data analysis

The Statistical Package for Social Sciences (SPSS) version 20 was getting to be used to analyze both qualitative and quantitative collected data. The descriptive statistics (frequencies distribution) is applied to assess the extent of customer service delivery while the connection and thus, the influence of the broadband internet services dimensions are getting to be analyzed by using multiple regressions. Data analysis that was conducted involved reducing the collected data to a manageable size, by developing summaries, through the utilization of data analysis techniques (Cooper and Schindler, 2008).

The quantitative data was analyzed using both descriptive and inferential statistics. Descriptive statistics was utilized for measures of central tendencies (Mean, Median and Mode), and measures of dispersion (Variance, Standard deviation, Standard Error, and Percentiles). On the other hand inferential statistics was utilized for correlations, was used on factors that indicated significant correlation

### 3.6 Research Procedures

Research procedures refer to a detailed description of the steps to be taken and the conduct of research should be provided for by the purpose of the study. A pilot test involving respondents was carried out to check the validity, clarity and reliability of the contents of the questionnaire. A pilot test was conducted for the study to detect whether weaknesses in design and instrumentation existed, and to provide data to measure reliability and validity of the study. According to (al, 2009) a complete account of the research process including pilot testing, scheduling of the subjects and selection of the data collection instruments has to be conducted. After the questionnaire was developed, it was subjected to a pilot test within one of Ethiopian coffee sport club in Addis Ababa branches to employees who were taking part in the survey.

### 3.7 Validity and Reliability

**Validity Test:** since validity of a research study is a conceptual and scientific soundness, the test focused on eliminating or minimizing the effect of extraneous influences, variables and explanations that might detract the accuracy of the ultimate findings.

After the researcher has constructed the questionnaire, pre-testing was done with persons who have knowledge of the area by allowing them to read it. These persons provided comments on Amharic translated questions on its ambiguities, the length, the structure and wording. This is done to ensure that the questionnaire is clear to respondents and can be completed in useful way (Adam et al., , 2007), then, the instrument was evaluated by academic advisor prior to the data collection so as to Maintain its validity and to increase the accuracy and usefulness of the findings in which it allows greater confidences of the study.

**Reliability:** refers to the stability of the measure used to study the relationships between variables (Ghuri, &Gronhaug. , 2010), the questions in the questionnaire were designed taking into consideration the issues related to the problem and goals of the study and theories on the subject. The reliability of the study was conducted by using Cranach's alpha. Reliability refers to the consistent of measurements throughout the entire finding of the study and it is a determination of obtaining the same results within the sample respondents.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the analysis and relative interpretations from the data collected from the sample. Statistical tools used in this chapter included frequency table, charts, cross tabulation, means. Total response rate was 184 out of 200 which represents 92% of the targeted sample.

#### 4.2 Demography

**Table 4.1 Cross tabulation of respondents age and gender**

Count		Age		Total
		18-30	31-40	
Gender	Male	26	30	56
	Female	103	25	128
Total		129	55	184

*Source: Author 2022*

Table 4.1 represents a cross tabulation of the age of the respondents and their gender. The purpose was to ascertain the various age ranges and their related gender. From the table 129 respondents were between the ages of 18 to 30 years. Out of this number, 26 are male and 103 are female. Also, a total of 55 respondents were between the ages of 31-40 years. Out of this number, 30 were male and 25 were female. In all, there were 56 males from the banks and 128 females. It can therefore be said that there are more females working in the various banks than there are males. Also the workers of these banks are less than 40 years.

**Table 4.2 Marital status of respondents**

		Frequency	Percent	Cumulative Percent
Valid	Single	40	21.7	23.7
	Married	129	70.1	100.0
	Total	169	91.8	
Missing	System	15	8.2	
Total		184	100.0	

*Source: field survey 2015*

Table 4.2 reflects the marital status of the respondents. From the table, 40 respondents representing 21.7% indicated that they were single. The majority of 129 representing 70.1% gave an indication that they were married. In all 169 respondents representing 91.8% answered this question. 15 respondents that are 8.2% however did not answer the question. They represent the missing system as shown on the table.

**Table 4.3 Cross tabulation of education and period of working experience**

Count		working experience			Total
		less than one year	1-5 yrs.	6-10yrs	
Education	Diploma and below	10	15	5	30
	First degree	30	40	10	80
	Masters	12	20	8	40
Total	Above Masters	16	12	6	34
		58	87	29	184

*Source: Field survey 2022*

Table 4.3 represents a cross tabulation of the education level of the respondents and the years of work experience. From the table, it is seen that 10 respondents are having Diploma and below for less than one, 15 respondents for 1-5 years and the remaining 5 respondents have 6-10 years under Diploma and below. When we see the working experience of First degree 30 of the respondents working for less than one, 40 respondents for 1-5 years and the remaining 10 respondents have 6-10 years working experience under First degree. On the other hand when we



see the working experience of Masters 12 of the respondents working for less than one, 20 respondents for 1-5 years and the remaining 8 respondents have 6-10 years working experience under Masters. In addition to this when we see the working experience of Above Masters 16 of the respondents working for less than one, 12 respondents for 1-5 years and the remaining 6 respondents have 6-10 years working experience Above Masters.

In general Majority of the respondents having working experience 1-5 years and less than one year having 87 and 58 respondents respectively and furthermore when we see Education level Majority of the respondents are in First degree and Masters with 80 and 40 respondents respectively

### 4.3 Business ethics strategy practiced at Ethiopian coffee sport club

**Table 4.4 Does Ethiopian coffee sport club have a written code of ethics**

	Frequency	Percent	Cumulative Percent
Valid      yes	184	100.0	100.0

*Source: field survey 2022*

Table 4.4 shows whether the Ethiopian coffee sport club are having a written code of ethics. All 184 respondents representing 100% gave an indication that they have a written code of ethics in place at the Ethiopian coffee sport club. This gives a clear indication that in Ethiopian coffee sport club, there is a written code of conduct that is supposed to guide the activities of the staff of the sport club.

**Table 4.5 Does Ethiopian coffee sport club has a set of core values?**

	Frequency	Percent	Cumulative Percent
Valid      Yes	184	100.0	100.0

*Source: Field survey 2022*

Table 4.5 shows whether Ethiopian coffee sport club have a set of values that guides their operations, All 184 respondents mentioned that Ethiopian coffee sport club have a set of core values that guides their operations.

**Table 4.6 Item Statistics of business ethics strategy practiced at Ethiopian coffee sport club**

ITEMS	Mean	Std.D	N
Does Ethiopian coffee sport club have procedures for reporting unethical behaviour?	1.61	.752	184
Manager generally sets a good example of ethical business Behaviour in Ethiopian coffee sport club	1.59	.734	184
Manager explains to staff & colleagues the importance of honesty & ethics in the work we do in Ethiopian coffee sport club	1.38	.485	184
My organisation disciplines employees who violate my organization's ethical standards	1.08	.274	184
My organisation acts responsibly in all its business dealings (with Customers, clients, suppliers, etc.)	1.23	.421	184
Ethical issues of „right and wrong“ are discussed in staff meetings	1.74	.440	184
Does Ethiopian coffee sport club require ethics training?	1.97	.886	184
Is there a dedicated person or department in Ethiopian coffee sport club that deals specifically with ethics	1.83	.948	184
Is there a facility in Ethiopian coffee sport club where you can get advice on ethics?	1.97	.886	184

*Source: Field survey 2022*

**Table 4.7 Summary Item Statistics of business ethics strategy practiced at Ethiopian coffee sport club**

	Mean	Minimum	Maximum	Range	N of Items
Item Means	1.598	1.082	1.967	.886	9

*Source: field survey 2022*

Table 4.7 shows a summary of the item statistics of the ethical issues in Ethiopian coffee sport club. An average mean of 1.6 gives an indication that the respondents agree mostly to the items mentioned. This gives an indication that the sport activities are guided by ethical principles though not in all aspects of the sport activities.

The mean of 1.97 gives an indication that there is no facility in the sport where staff can get advice on ethics. The mean of 1.83 also gives an indication that a substantial number of respondents give an indication that there is no dedicated person or department in Ethiopian coffee sport club that deals specifically with ethics though the majority gave an indication that they have. The mean of 1.08 however gives a positive outcome by the Ethiopian coffee sport club.

It means that most of the respondents believe that the organisation disciplines employees who violate the organization's ethical standards. This gives a good indication that ethics are held high in the organization and any worker who does anything unethical is punished.

**Table 4.8 Dimensions of Business ethics practiced in Ethiopian coffee sport club**

	criteria's	Mean	Std.	N
1	False financial statements are not accepted by Ethiopian coffee sport club executives.	4.54	0.643	184
2	Project revenue is not over estimated in Ethiopian coffee sport club	4.54	0.643	184
3	Ethiopian coffee sport club guidelines are not violated	4.33	0.62	184
4	Illegal transactions of customers are not encouraged by Ethiopian coffee sport club.	4.33	0.62	184
5	The Ethiopian coffee sport club delivers on its promises to the supporters of the team	4.33	0.62	184
6	Ethiopian coffee sport club keeps the accounts information of its clients private.	4.26	1.099	184
7	Ethiopian coffee sport club maintains its service standard and rules as promised.	4.24	0.717	184
8	Ethiopian coffee sport club ensures discipline in promoting its products and services.	4.18	0.558	184
9	Ethiopian coffee sport club executives do not maintain unauthorized relationship with club members	4.11	0.832	184
10	Ethiopian coffee sport club takes part in social welfare activities.	4.03	0.886	184
11	Ethiopian coffee sport club in projects that have social attachment	4.03	0.886	184
12	Ethiopian coffee sport club executives do not take bribe	4.03	0.701	184
13	Ethiopian coffee sport club executives do not misreport and misrepresent.	3.97	0.746	184
14	Ethiopian coffee sport club does not try to know the secret of its employee and members	3.75	0.999	184
15	Ethiopian coffee sport club executives do not conceal facts.	3.61	1.249	184
16	Ethiopian coffee sport club does not collect cross cheque other than the actual payee.	3.39	1.656	184

*Source: field survey 2022*

Table 4.8 represents the ranking of the various dimensions of business ethics in Ethiopian coffee sport club. The ranking was based on the highest mean to the lowest mean. The purpose was to know the items that the staffs of Ethiopian coffee sport club agree to most and vice versa. The ranking was based on the means. From the table, it was seen that “false financial statements are not approved by the Ethiopian coffee sport club executive” and “project revenue is not over estimated by Ethiopian coffee sport club were the items with the highest mean of 4.54. The mean can be interpreted to mean that the staffs of the sports generally agree to these assertions.

They represent the highest agreement by the workers. The two items are all found in the Transparency dimension. Ethiopian coffee sport club guidelines are not violated, illegal transactions are not condoned, and the sport club maintains conformity in charges as they promise were next in terms of agreement with a mean of 4.33 each.

In the bottom three are “Ethiopian coffee sport club does not try to know the secret of employee and members business, Ethiopian coffee sport club executives do not conceal facts, Ethiopian coffee sport club does not collect cross cheque other than the actual payee” with means of 3.75, 3.61 and 3.39 respectively.

**Table 4.9 Summary Item Statistics of dimensions of Business ethics practiced in Ethiopian coffee sport club**

	Mean	Minimum	Maximum	Variance	N of Items
Item Means	4.104	3.391	4.538	.099	16

*Source: Field survey 2022*

Table 4.10 reflects the summary of the dimensions of business ethics practices Ethiopian coffee sport club. The average mean of 4.1 indicates that the workers of Ethiopian coffee sport club generally agree to the items mentioned in the various dimensions. This means that ethical practices are integral in the operations of banks. The minimum mean of 3.39

represent “Ethiopian coffee sport club does not collect cross cheque other than the actual payee”. The workers showed neutrality with the item.

#### 4.4 Level at which business ethics affects the success of the Ethiopian coffee sport club

**Table 4.10 Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 <sup>a</sup>	.674	.672	.359

a. Predictors: (Constant), e1

b. Dependent Variable: Ethiopian coffee sport club Ethics in achieving its goals. The adjusted R square figure on the table shows how much of the variance in the dependent variable (Ethiopian coffee sport club Business Ethics in achieving its goals) is explained by the model (which includes the variables of business ethics strategy practiced at Ethiopian coffee sport club). The value of .672 or 67% means that the model explains 67% of the variance in Ethiopian coffee sport club Ethics in achieving its goals.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.742	.150		11.632	.000
	RR(Reliability)	.034	.026	.053	1.305	.194
	SR (S. Responsibility)	-1.629	.111	-.306	-14.645	.000
	HI (Honesty & Integrity)	1.451	.094	.308	15.395	.000
	CC (Compliance)	1.951	.124	.859	15.771	.000
	TT (Transparency)	-1.363	.065	-.480	-21.032	.000

a. Dependent Variable: Ethiopian coffee sport club Ethics in achieving its goals

The coefficient table shows which of the variables involved in the model contributed to the prediction of the dependent variable. This can be found in the column labelled Beta under Standardised Coefficients. From the table, the largest beta coefficient is .86 which relates to the compliance dimension. This means that this variable makes the strongest unique contribution to explaining the dependent variable, when the variance explained by all other variables in the model is controlled for. It was then followed by the Transparency dimension with a beta value of -.48. The beta value for social responsibility (-.31) is the lowest and it means that it made less of a unique contribution. Apart from the reliability dimension, all other dimensions are statistically significant with a significant value of .000

#### **4.5 Challenges of implementing business ethics in Ethiopian coffee sport club**

From the workers point of view, these are some of the challenges they face in implementing ethics in their operations. A substantial number of the staff of Ethiopian coffee sport club did indicate that using working hours for personal activities and Ethiopian coffee sport club equipment like telephone for personal use is a major challenge they face in the conduct of their duties. This is a challenge according to them because it's not ethical to do but they end up doing it. Using the working hours for personal things are not only ethical but against the rules governing the workers.

The workers did indicate that sometimes they have no option but to leave since the matters they have to attend to crucial. Another ethical challenge the workers of Ethiopian coffee sport club indicated concerned strict compliance to the ethical standards set by Ethiopian coffee sport club Ethics and other rules and regulations governing the operations of sport club Ethics. Following these standards and regulations to the letter is a major challenge by most of the workers in Ethiopian coffee sport club Ethics.

Another ethical challenge mentioned by the workers of Ethiopian coffee sport club Ethics was matters relating to transparency, integrity, openness and honesty. These are issues that determine the Business Ethics level and dedication of the workers.

According to the workers who gave these assertion, always remaining transparent, open, honest and having that integrity is a major challenge. The tendency to ignore these to your favour and the favour of other people is very high. Being open and transparent according to them can make things difficult for them at certain times.

Also another ethical challenge relating to openness and honesty is declaring of thank you gifts. Workers find it difficult to declare and most times do not declare it. Another ethical challenge faced by most of the respondents has to do with not giving preferential treatment to people they know. The workers of Ethiopian coffee sport club Ethics mostly give preferential treatment to their friends, family and people who normally dash out something after being served. This is unethical but has become the norm in the various banks. Changing from this habit poses a great challenge to most of the workers since it's difficult to ignore someone you know who seeks your help in an unofficial way.

Another ethical challenge faced by some of the workers of Ethiopian coffee sport club Ethics relates to giving financial advice to either favour Ethiopian coffee sport club Ethics or the customer's or clients of the sport club Ethics. Another ethical challenge is processing transactions when documents are incomplete or expired. This is basically because of favouritism.

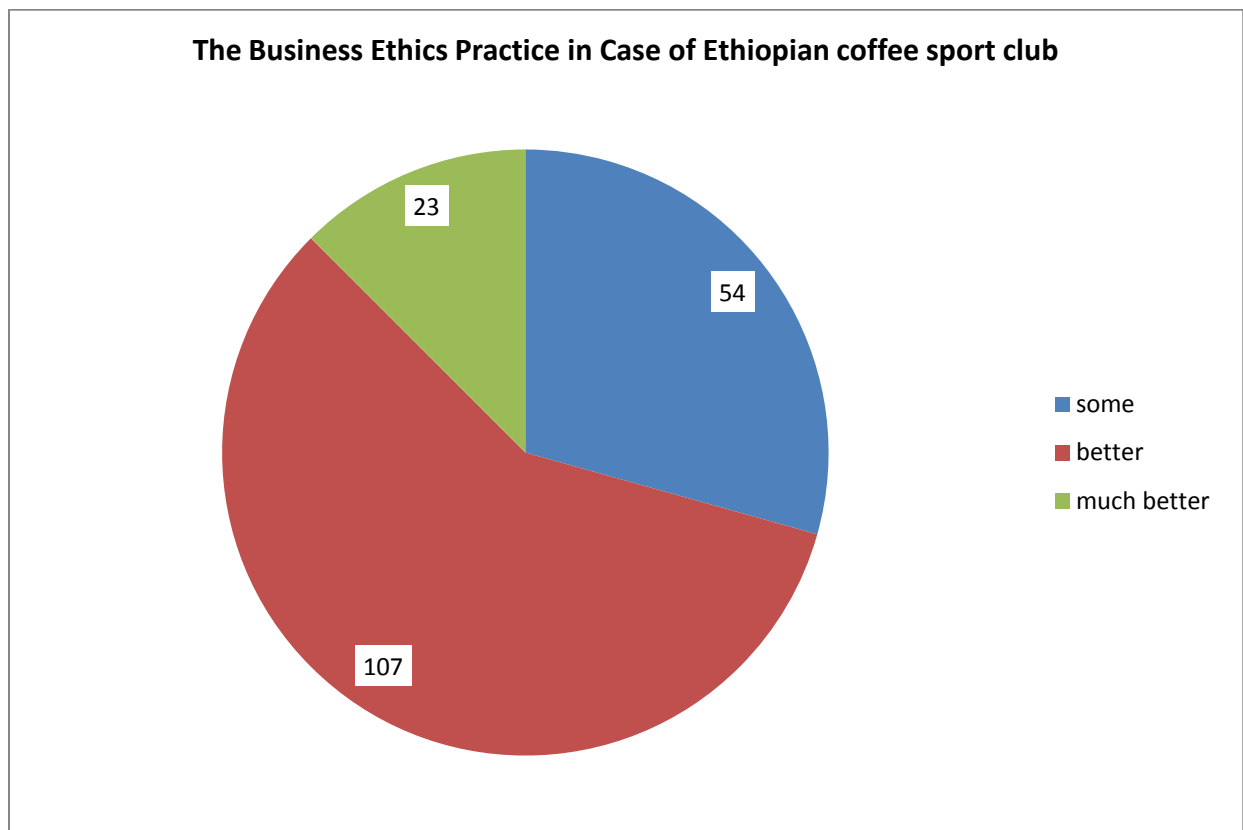
#### **4.6 Ways by which business ethics principles can be adequately entrenched in Ethiopian coffee sport club.**

The workers in Ethiopian coffee sport club Ethics gave some ideas and suggestions about ways by which business ethics principles can be adequately entrenched in Ethiopian coffee sport club Ethics. Amongst the suggestions of the workers were: The majority of the workers believe that the management of Ethiopian coffee sport club Ethics should update the ethical standards of the sport club to conform to current sport club Ethics standards.



Ethical concerns keep changing in Ethiopian coffee sport club Ethics therefore the workers of some of the sport club Ethics demand their managers to be abreast with the current ethical issues so that it can be adopted in the Ethiopian coffee sport club Ethics.

Some workers also believe that the values and ethical standards of the bank must be enforced to the letter. A worker who goes against these standards must be punished so it serves as a deterrent to others in Ethiopian coffee sport club Ethics. Portions of workers of the sport club also believe that there must be a well-structured orientation and reorientation for all staff of Ethiopian coffee sport club in order to instil strongly in them the ethical beliefs of Ethiopian coffee sport club Also motivating incentive packages must be awarded to workers who are seen as operating ethically so that it can inspire others to do same.



*Source: field survey 2022*

**Figure 4.1 the Business Ethics Practice in Case of Ethiopian coffee sport club in achieving its goals.**

From the chart, the majority of the workers of Ethiopian coffee sport club believe that the Ethiopian coffee sport club Ethics Practice in achieving its goals is better than previous years. 107 respondents gave this assertion. 54 respondents also indicated that the Ethics Practice of Ethiopian coffee sport club in achieving its goals has not changed. 23 others however felt that there has been a much better improvement in Ethiopian coffee sport club Ethics Practice in achieving its goals. Therefore in general it can be interpreted to mean that, from the workers, there has been a form of improvement in Ethiopian coffee sport club's ability to achieve its goals.

**Table 4.11 Ethiopian coffee sport club (e.g., sales, membership)**

		Frequency	Percent	Cumulative Percent
Valid	same	54	29.3	29.3
	better	107	58.2	87.5
	much better	23	12.5	100.0
	Total	184	100.0	

*Source: field survey 2022*

Table 4.12 reflects the Ethiopian coffee sport club with respect to growth in sales and memberships. 54 respondents representing 29.3% gave an indication that the Ethiopian coffee sport club Ethics Practice is the same as compared to previous years. 107 respondents representing 58.2% gave an indication that their performance with respect to its growth in sales and membership is better than previously. 23 others representing 12.5% gave an indication that the Ethics Practice Ethiopian coffee sport club is much better. This could be interpreted to mean that there has been a steady increase in the Ethics Practice with respect to sales and client base.

#### **4.7.1 Business ethics strategy practiced at Ethiopian coffee sport club**

It was found from the research that the used for the research have written code of ethics and a set of values that guides Ethiopian coffee sport club operation in order to deliver adequate services and come out with the right work output.

This means ethical standards are part of the operations of Ethiopian coffee sport club with in the region. It was also found from the research that, respondents agree mostly to the items constituting the practice of business ethics in the Ethiopian coffee sport club.

This gives an indication that the sport club activities are guided by ethical principles though not in all aspects of the sport club activities. The work showed that there is no facility in the Ethiopian coffee sport club where staff can get advice on ethics. The work again ascertained that a substantial number of respondents give an indication that there is no dedicated person or department in Ethiopian coffee sport club that deals specifically with ethics though the majority gave an indication that they have. The respondents believe that the organisation disciplines employees who violate the organisation's ethical standards. This gives a good indication that ethics are held high in the organization and any worker who does anything unethical is punished.

#### **4.7.2 Level at which business ethics affects the success of Ethiopian coffee sport club**

Performance indicated that there exists a significantly positive relationship between the business ethics practices at Ethiopian coffee sport club and Ethiopian coffee sport club ability to achieve its stated goals. It was found from the research that, the value of .672 or 67% means that the model explains 67% of the variance in Ethiopian coffee sport club business ethics practices in achieving its goals. When all the items in ascertaining the business ethics of the Ethiopian coffee sport club were put together, they contributed 82% in Ethiopian coffee sport club ability to achieve its goals.

On the various dimensions of business ethics practices, it was seen from the research that, the largest beta coefficient is .86 which relates to the compliance dimension. This means that this variable makes the strongest unique contribution to explaining the dependent variable, when the variance explained by all other variables in the model is controlled for. It was then followed by the Transparency dimension with a beta value of -.48. The beta value for social responsibility (-.31) is the lowest and it means that it

made less of a unique contribution. Apart from the reliability dimension, all other dimensions are statistically significant with a significant value of .000

#### **4.7.3 Challenges of implementing business ethics in Ethiopian coffee sport club**

It was found from the research that, a substantial number of the staff of Ethiopian coffee sport club business ethics did indicate that using working hours for personal activities and Ethiopian coffee sport club business ethics equipment like telephone for personal use is a major challenge they face in the conduct of their duties. This is a challenge according to them because it's not ethical to do but they end up doing it. Using the working hours for personal things are not only ethical but against the rules governing the workers. The workers did indicate that sometimes they have no option but to leave since the matters they have to attend to crucial.

Another ethical challenge the workers of Ethiopian coffee sport club indicated concerned strict compliance to the ethical standards set by Ethiopian coffee sport club and other rules and regulations governing the operations of Ethiopian coffee sport club business ethics. Following these standards and regulations to the letter is a major challenge by most of the workers in sport club.

Another ethical challenge mentioned by the workers of Ethiopian coffee sport club business ethics was matters relating to transparency, integrity, openness and honesty. These are issues that determine the business ethics level and dedication of the workers. According to the workers who gave these assertion, always remaining transparent, open, honest and having that integrity is a major challenge. The tendency to ignore these to your favour and the favour of other people is very high. Being open and transparent according to them can make things difficult for them at certain times.

Also another ethical challenge relating to openness and honesty is declaring of thank you gifts. Workers find it difficult to declare and most times do not declare it. Another ethical challenge faced by most of the respondents has to do with not giving preferential treatment to people they know. The workers of the Ethiopian coffee sport club mostly give preferential

treatment to their friends, family and people who normally dash out something after being served. This is unethical but has become the norm in the Ethiopian coffee sport club.

Changing from this habit poses a great challenge to most of the workers since it's difficult to ignore someone you know who seeks your help in an unofficial way. Another ethical challenge faced by some of the workers of Ethiopian coffee sport club relates to giving financial advice to either favour sport club or the customer's or clients of the Ethiopian coffee sport club. Sometimes the workers give advice that favours the customers at the expense of Ethiopian coffee sport club. Another ethical challenge is processing transactions when documents are incomplete or expired. This is basically because of favouritism.

#### **4.7.4 Ways by which business ethics principles can be adequately entrenched in Ethics Practice of Ethiopian coffee sport club**

The research found that, the majority of the workers believe that the management of Ethiopian coffee sport club should update the ethical standards of Ethiopian coffee sport club to conform to current sport club standards. Ethical concerns keep changing in the Ethiopian coffee sport club therefore the workers of some of sport club demand their managers to be abreast with the current ethical issues so that it can be adopted in the Ethiopian coffee sport club. Some workers also believe that the values and ethical standards of Ethiopian coffee sport club must be enforced to the letter.

A worker who goes against these standards must be punished so it serves as a deterrent to others Ethiopian coffee sport club. Portions of workers of Ethiopian coffee sport club also believe that there must be a well-structured orientation and reorientation for all staff of Ethics Practice of Ethiopian coffee sport club in order to instil strongly in them the ethical beliefs of Ethiopian coffee sport club. Also motivating incentive packages must be awarded to workers who are seen as operating ethically so that it can inspire others to do same.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter looks at a summary of the findings with relevant recommendations.

#### **5.2 Summary of findings**

Ethiopian coffee sport club is one of well known and organized sport clubs Ethiopia with a substantial amount of supporters. Concerning the practices of business ethics, the sport club does not have formal business ethics. However, there is an informal practice of business ethics in there. Even though the practice of business ethics is informal in the organization, the club believes in the importance of business ethics for its success. Therefore, it has an intention to include business ethics formally in its strategic plan in the future.

##### **5.2.1 Business ethics strategy practiced at Ethiopian coffee sport club**

It was found from the research that all the banks used for the research have written code of ethics and a set of values that guides Ethiopian coffee sport club operation in order to deliver adequate services and come out with the right work output. This means ethical standards are part of the operations of Ethiopian coffee sport club within the region. It was also found from the research that, respondents agree mostly to the items constituting the practice of business ethics in the Ethiopian coffee sport club.

### **5.2.2 Level at which business ethics affects the success of Ethiopian coffee sport club**

It was found from the research that, the value of .672 or 67% means that the model explains 67% of the variance in Ethiopian coffee sport club business ethics practices in achieving its goals. When all the items in ascertaining the business ethics of the Ethiopian coffee sport club were put together, they contributed 82% in Ethiopian coffee sport club ability to achieve its goals.

On the various dimensions of business ethics practices, it was seen from the research that, the largest beta coefficient is .86 which relates to the compliance dimension. This means that this variable makes the strongest unique contribution to explaining the dependent variable, when the variance explained by all other variables in the model is controlled for. It was then followed by the Transparency dimension with a beta value of -.48. The beta value for social responsibility (-.31) is the lowest and it means that it made less of a unique contribution. Apart from the reliability dimension, all other dimensions are statistically significant with a significant value of .000

### **5.2.3 Challenges of implementing business ethics in Ethiopian coffee sport club**

It was found from the research that, a substantial number of the staff of Ethiopian coffee sport club business ethics did indicate that;

- Using working hours for personal activities and Ethiopian coffee sport club business ethics equipment like telephone for personal use is a major challenge they face in the conduct of their duties.
- The workers of Ethiopian coffee sport club indicated concerned strict compliance to the ethical standards set by Ethiopian coffee sport club and other rules and regulations governing the operations of Ethiopian coffee sport club business ethics.
- Business ethics was matters relating to transparency, integrity, openness and honesty.
- Challenge relating to openness and honesty is declaring of thank you gifts.

### 5.3 Conclusion

The work sought to find out the impact of business ethics on organizational performance Ethiopian coffee sport club. The objectives of the research included The Business Ethics Practice in Case of Ethiopian coffee sport club Ethiopian coffee sport club managers operate in a complex environment. They are affected by and to some extent, influence by the environment. Managers of Ethiopian coffee sport club operate in a pluralistic society in which many organize groups represent various interests.

However, there is now a general recognition that the responsibility of business goes beyond profit maximization. Ethics deals with what is good and bad as well as with moral duty and obligation. The research has proven that business ethics impacts positively on the performance of Ethiopian coffee sport club with respect to achievement of corporate goals. There should be more commitment from the managers and workers of Ethiopian coffee sport club to ensure the propagation of ethical business practices.

This will also ensure that transactions are carried out in the correct manner, in addition to the fact that it will improve customers' loyalty for those firms that put it into practice, which will then ensure an increase in performance with respect to achieving its goals.

### 5.4 Recommendations

Some recommendations that were suggested by the researcher include Discussion of ethical issues in staff meetings should be practiced in Ethiopian coffee sport club. When this is done, the staff or workers of Ethiopian coffee sport club are generally abreast with the ethical standards needed by Ethiopian coffee sport club and will adhere to it. The tendency to forget about the standards is there so constant reminders thorough staff meetings will do the workers a lot of good.

From the research, most of the staff believes that Ethiopian coffee sport club do not have a dedicated person or department to oversee ethical issues. Since the work has proven that ethics



have a positive impact on the Ethics Practice of Ethiopian coffee sport club in terms of achieving its goals, it is suggested that a dedicated person or department to take charge and facilitate the ethical related issues in Ethiopian coffee sport club to further boost the Ethics Practice in achieving its goals.

Overall, ethical standards must be upheld since it plays a major role in Ethiopian coffee sport club achieving its goals and aims. The work has proven that that ethics impact positively on the performance of the Ethiopian coffee sport club in terms of achieving its goals. Therefore Ethiopian coffee sport club must take a critical look at ethics in order to ensure workers in general, that is from management to the lowest rank should conform to the ethical standards of sport club. The compliance dimension in the ethical practice of Ethiopian coffee sport club is the highest contributor to Ethics Practice of sport club in terms of achieving its goals. It is therefore recommended that, there should be an improvement in the items that forms that dimension.

This will ensure greater contribution to the Ethics Practice of Ethiopian coffee sport club achieving its performance goals. However all other dimensions must be improved since they contribute to the Ethics Practice of Ethiopian coffee sport club with respect to achieving its goals. The dimensions are honesty and integrity, social responsibility and transparency. Ethiopian coffee sport club should undertake self-assessment of their compliance to the code of ethics periodically and in order to achieve honest and complete answers to these questions, Ethiopian coffee sport club should arrange for their own assessments to be contributed to and challenged by key stakeholders or partners (for example, unions , service users) and regulators.

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## Questionnaire

### *Dear respondent*

As part of partial fulfillment of the requirement for master's program..... I am undertaking a research study titled, “**The Business Ethics Practice in Case of Ethiopian coffee sport club**”. The aim of this research is to investigate the causes of the problems and to provide recommendations towards addressing the problem. It is my belief that the research, in addition to its academic significance to the researcher, will have a practical significance for the development of of Ethiopian coffee sport club and initiates further research on the topic. Hence, I kindly request professionals to provide me their cooperation by completing this questionnaire.

Your response will be kept strictly confidential. Only my academic supervisor and I will have access to the information you give me and will be exclusively used for the research. Therefore, I sincerely request you to complete the questionnaire within a week time of your receipt of it in order to enable me to finalize the research as per the deadline.

Thank you very much for your time and cooperation, and looking forward to receiving your Response.

For further information you may use: - Mob, Tel: +251913908986; or E-mail address: Redieathailu@gmail.com

### **GENERAL INSTRUCTIONS**

- ✓ You are not required to write your name.
- ✓ Please circle the letter that describe you and write your answer in the space provided.
- ✓ Put a tick mark “√” in the space provided in front of each item.

The questionnaire has 3 parts. Please try to fill all the items

## **Part 1: Background Information**

### **Part one: Scion Demographic Information of Respondents**

1. Gender: Male ☐ Female ☐
2. Age: 18- 25 ☐ 26-35 ☐ 36-45 ☐ 46-55 ☐ Above 55 ☐
3. Level of Education: below Certificate ☐ Certificate and Diploma ☐  
Bachelors ☐ Master's Degree and above ☐
4. What are your years of experience in this field?  
A, Less than one year ☐ B, 1-5 years ☐ C, 6-10 years ☐ D, Above 10 years ☐
5. What is your Position in Ethiopian coffee sport club?  
a) Coach staff ☐  
b) Coordinator ☐  
c) Members booster ☐  
d) Supporter ☐  
e) Player ☐  
f) Health Inspector ☐  
g) If Other Please Specify.....
5. Do you implement a formal Business Ethics Practice in Case of Ethiopian coffee sport club?  
a) Yes ☐  
b) No ☐
6. Does your organization have a Business Ethics Practice system?  
A, No (Please go to next section of question) ☐  
B, Such a plan is under consideration ☐
7. Have you felt pressured to compromise Ethiopian coffee sport club standards of ethical conduct?  
Yes ( ) ☐ No ( ) ☐ Sometimes ( ) ☐ Don't know ( ) ☐



**PART A: Practice of Business Ethics Indicate how these statements apply  
Ethics Practice of Ethiopian coffee sport club. (Select one response)**

ITEM	YES	UNCERTAI	NO
Does Ethiopian coffee sport club have a written code of			
Does Ethiopian coffee sport club have a set of values?			
Does Ethiopian coffee sport club have procedures for reporting			
Manager generally sets a good example of ethical business behaviour			
Manager explains to staff and colleagues the importance of honesty and ethics in the work we do			
My organisation disciplines employees who violate my organisation's ethical standards			
My organisation acts responsibly in all its business dealings (with customers, clients, suppliers, etc.)			
Ethical issues of „right and wrong“ are discussed in staff meetings			
Does Ethiopian coffee sport club require ethics training?			
Is there a dedicated person or department in Ethiopian coffee sport club that deals specifically with ethics			
Is there a facility in Ethiopian coffee sport club where you can get			

**Part B: Challenges of implementing Business Ethics**

1. What are the three most **difficult ethical issues** that you have faced in your work? List the most difficult first.

1. ....
2. ....
3. ....

2. How difficult is it to implement ethical standards in the sport club?

Extremely difficult ( )

Difficult ( )

Not sure ( )

Not difficult ( )

Very easy ( )

### PART C: Dimensions of the practice of business ethics

**Instructions: please respond to the following statements by putting an “X” in the block that most accurately represents your opinion.**

1 Strongly Disagree		2 Disagree	3 Average	4 Agree		5 Strongly Agree		
SN	ITEM (Reliability)			1	2	3	4	5
1	The Ethiopian coffee sport clubdoes not disclose accounts information ofThe customers.							
2	The Ethiopian coffee sport clubdoes not try to know the secret of Customer’s business.							

SN	ITEM ( Social Responsibility)	1	2	3	4	5
1	Ethiopian coffee sport club takes part in social welfare activities.					
2	Ethiopian coffee sport club that have social attachment					

SN	ITEM ( Honesty and Integrity)	1	2	3	4	5
1	Ethiopian coffee sport club executives do not conceal facts.					
2	Ethiopian coffee sport club executives do not take bribe					
3	Ethiopian coffee sport club executives do not misreport and misrepresent.					
4	Ethiopian coffee sport club does not violate sport guidelines					
5	Ethiopian coffee sport club does not encourage customers to conduct illegal transaction.					
6	Ethiopian coffee sport club executives do not maintain unauthorized relationship with customers.					

SN	ITEM ( Compliance)	1	2	3	4	5
1	The Ethiopian coffee sport club maintains conformity of service standard and rules as promised.					
2	The Ethiopian coffee sport club maintains conformity in charges as they promise.					
3	Ethiopian coffee sport club maintains conformity as it promotes					

SN	ITEM ( Transparency)	1	2	3	4	5
1	Ethiopian coffee sport club executives do not approve false					
2	Ethiopian coffee sport club do not over estimate project					
3	Ethiopian coffee sport club does not collect cross cheque other					

### Part E: Business Ethics Practice

Using the following scale indicate how successful Ethiopian coffee sport club PracticeBusiness Ethics

S N	ITEM	MUCH WORSE	WORSE	SAME	BETTER	MUCH BETTER
1	Ethiopian coffee sport club have Ethics Practice in Achieving its goals are.					
2	Ethiopian coffee sport club growth (e.g., sales, membership, etc) is					
3	Ethiopian coffee sport club return on competitiveness					
4	Ethiopian coffee sport club success in attracting customers/clients is.					

In your own opinion, what are the ways business ethics can be entrenched in Ethiopian coffee sport club with respect to the workers and the sport club activities?

1. ....

.....

2. ....

.....

3. ....

.....