“Business Ethics and Corporate Social Responsibility”

THE PERCEPTION OF EMPLOYEES ON BUSINESS ETHICS IN AN ORGANIZATION

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Abstract

Global organizations are fast-changing in technological, legal, economic, social, and political structures with competing stakeholders as well as power claims. They are embedded in and interact with multiple changing local, national, and international environments. These environments call for business ethics in many situations for proper interrelation and interactions among businesses and economies. Organizations are starting to adopt ethics programs as a response to the negative publicity associated with interactions with different environments. Maintaining public trust is essential for organizations to receive continued support from suppliers, customers, as well as other stakeholders. Ethics plays an important role in the development of a strategic plan. However, understandably stakeholders are naturally pre-occupied with profitability often completely disregarding the role of ethics and corporate social responsibility, considering the fact that companies in a bid to render agreed returns to their stakeholders are mostly concerned with marketing campaigns and sales advertisement and all other antics to dislodge competitors and meet assigned budget targets. Therefore, it is essential to examine the perceptions of employees on business ethics within the organization in order to properly develop ethics programs. This study attempts to examine the relationship of business ethics with the position, years of experience, and gender in order to develop some ethics program which can match the perceptions of employees on ethics.
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Chapter 1: INTRODUCTION

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 serves 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 conduct and discourage 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.

A 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).
Background of the Study

An ethical society would help establish an efficient and effective economic system (Churchill, 1982; Elango et al., 2010). A system that produces the opportunity for greater economic welfare is very important in facilitating a well-structured, happy life for the citizens of that society.

The ability of an ethical society to establish a proper economic system is of importance to businesses (Ethics Resource Centre, 2009). However, since few human social systems work perfectly, an ethical society has also aimed to minimize the abuse of the “imperfect” economic system selected, while still attempting to maintain the creativity, efficiency, and effectiveness of that system (Ferrell and Ferrell, 2011; Carlson et al., 2011). Companies structured on an ethical society design are expected to behave in a manner that minimizes the abusive use of power and reasonably assists their stakeholders with the negative impact of chance (Elango et al., 2010; Ethics Resource Centre, 2009). The role of an ethics program is to create an environment within the company that promotes trust within and outside the company, which would eventually lead to growth and profitability (Koonmee et al., 2010).

Program Discussion

The perception on business ethics has barely changed in the past 3 decades, meaning that ethical issues in businesses are still rampant even in the 21st century (Carroll, 2009). To address the situation, ethics programs were implemented in organizations to regulate and resolve the trust issues that are present (Tota and Shehu, 2012). However, past studies have not differentiated the various ethics programs made in terms of their scope in the business (Kaptein, 2009). In an attempt to help companies exercise proper business ethics, the study aims to explore the perceptions of employees on business ethics within an organization and use the information to
develop an ethics program. It is also the researcher’s intent to know how organizations would adapt to on-going changes with their respective industries and shifts in society, while being able to keep their ethical principle intact. In essence, the key aim of this study is to identify the relationship of business ethics with the position, years of experience, and gender of employees to develop a suitable ethics program for them.

The researchers will conduct a quantitative correlational research design to study the relationship of business ethics with the position, age, and gender of employees from the organization chosen for the study. In addition, the research would be carried out based on the chosen theoretical framework that would support the study’s methodology. This will allow the researchers to identify whether there is a relationship between business ethics and the position, age, and gender of an employee. The correlation between the two aforementioned constructs will be used to develop an ethics program suitable to the employees’ needs.

**Problem Formulation and Purpose**

The indiscretions of one’s ethical principle vary from providing false information and manipulation (Johnson 2004; Carlson *et al* 2011). Firms who are in competition with one another have a tendency to play foul, ignoring the virtues of morality and ethics to outpace their rivals. Business firms are being met with a considerable load of pressure, rooting from the operations, up until its marketing leg (Ethics Resource Centre 2009; Ferrell and Ferrell 2011). The pressure of competition makes business firms focus on their objectives, causing them to compromise their principles that bind them in the virtues of morality and ethics (Kalshoven *et al* 2011; Elango *et al* 2010). Businesses perceive the concept of marketing based on aggressively selling products and services. There are common instances wherein companies provide misleading information to their customers, just to entice them to make a purchase (Johnson
An example of such is a clear indication that business ethics is not being adhered to. The aforementioned common practice of some businesses leads to the unprecedented result of compromising the quality of services and products that are being offered as the aggressive competition rivalry pushes the concept of quality to the side-lines (Kalshoven et al 2011; Ferrell and Ferrell 2011).

The study will focus on identifying the relevance of the employee’s age, position, and gender on their perception of business ethics within an organization. In essence, the study will delve into whether the perspective of business ethics is dependent on the employee’s age in the company, position, and gender. Furthermore, the researcher aims to use the information gathered from the participants and use it to construct an ethics program model that would help the organization have a more ethical environment. The purpose of the study is to provide organizations with information on business ethics, based on the understanding of their employees. This will help the organization to understand their employee’s view on the significance of ethics in the workplace. The study will also be able to recommend a possible ethics program model that can be added to the company’s structure. Since a variety of companies have been involved in compromising their ethical responsibilities to their clients (Kalshoven, Den Hartog, and De Hoogh 2011), this concept may be used to address the ethical issues prevalent in varying industries. This study seeks to investigate strategies employed by businesses to find the right balance between business ethics and the firm’s operations. In that light, the findings of the study would be able to address common business ethical issues (Ethics Resource Centre 2009; Ferrell and Ferrell 2011). The balance between business ethics and operations would assist in identifying how companies align their moral obligations to their stakeholders with their overall business strategy (Lewis 2002).
Nature of the Study

A quantitative correlational research design will be employed for this study considering the constructs of business ethics such as the individual’s perspective on business ethics, organizational culture, situational variables, and characteristics of work as the dependent variables. The independent variables will be the years of experience, job position, and gender of participants. Quantitative research approach is typically used when variables need to be numerically measured (Creswell, 2005). A correlational research design is appropriate because the study is focused on examining relationships between predetermined variables. A quantitative research approach is appropriate because the variables can be studied using quantitative measures such as survey instruments. A survey instrument will be utilized to measure the constructs of business ethics. Participants will be asked to rate their level of agreement to statements on business ethics based on their current practices and organizational practices. Participants will be asked to sign the informed consent forms prior to participating in the study. Once the participants signed the consent forms they will be asked to complete the survey questionnaire. The responses will be gathered and prepared for analysis in SPSS 17.0. Descriptive statistics, Pearson’s correlation analysis, and independent samples t-tests will be used to answer the research questions posed for this study. The statistical tests will consider a .05 level of significance.

Research Purpose

The purpose of this study is to investigate whether there is a positive or negative correlation between the relationship between the age, gender, and position of employees and their perception on business ethics to develop an ethics program for the organization. It is possible to pursue three different kinds of research depending on the nature of study and based
on the type of information needed (Laurel 2007). These are exploratory, descriptive and explanatory (causal) research.

The theoretical framework that will be evaluated in this study is based on previous theories, which serves to reinforce the validity and reliability of the study in terms of the variables and the pattern drawn from the theory. The viewpoint of the business’ objective of customer satisfaction formation is clear and the description of the extent of association between variables is going to be conducted (Laurel, 2007). The researcher decided to choose a descriptive approach, as this is the most apt method that will help the researcher to identify the correlation between perception of the employees on business ethics and its relation to the employees’ age, gender, and position. The descriptive method is most appropriate because the study is non-experimental and only aims to analyse the relationship of the variables.

**Research Questions**

Business experts believe that ethics plays a critical role in organizations because it helps determine the possible outcome of medium and long term investments (Georgescu, 2012). The implications of ethics for business are but not limited to:

- The neutral and negative aspects of personal behaviour are as important as the positive. For example, if the functioning of a trade union is not accepted by an individual manager, he does not have right to abolish it.

- An organization can act in an ethical manner only through personnel are responsible for its management and supervision.

- Ethics is an interpersonal and reciprocal relationship. Ethics of a manager should go hand in hand with the social power that he possesses.
The standards of social obligations can be set keeping in view the norms of a particular society in which the company operates.

An organization cannot fulfil its ethical obligations without gaining profits and surviving in the business and vice versa.

Ethical responsibility is a continuing obligation. As long as the company exists in the business, it has to have social responsibility.

Based on the constructs above, ethics is deemed to be based on employees and is client-oriented. To further understand the relationship between an employee’s age, gender, and position on their perception on business ethics, the following research questions and hypotheses were formed:

1. To what degree, if any, does a relationship exists between employee perception of business ethics and the years of experience of employees in the organization?

2. To what degree, if any, does a relationship exists between employee perception of business ethics and the job position of the employees in the organization?

3. To what degree, if any, does a relationship between employee perception of business ethics and the gender of the employees in the organization?

**Delimitations**

Since the study will focus on studying the relationship between a dependent variable and 3 independent variables, the researcher has decided to utilize a quantitative correlational research design to conduct the study (Bryman, 2012). With this, the researcher is limited to only analysing the relationship between the variables, and will not focus on their cause and effect relationship.
For the population of the study, the researcher will invite 17 top management employees, 46 middle management employees, and 67 lower management employees, which is a total of 130 participants to participate in the research. The researcher is limited to dissemination of questionnaires through the use of the internet and email. Only participants who agreed to take part in the study will be allowed to proceed with the survey.

**Expected Result and Other Research Paper Results**

In the 21st century, the interpretation of business ethics has become more complex that it is unclear on which norms should be used to measure it (Tota and Shehu, 2012). Various companies have then decided to create ethics programs to establish a set of standards that will be used to determine the degree of ethics a company has and at the same time promote ethical conduct among the employees in the organization (Koonmee et al., 2010). Unethical acts have been said to have emerged from the company’s aim to become more profitable (Ghosh, Ghosh, and Zaher, 2011). In order to prevent companies from committing ethical mistakes, the research has aimed to develop an ethics program based on the employees’ perceptions of it.

The expected result of this study is to see that the relationship of business ethics to the employee’s age, position, and gender is considered. With this, the expected outcome is the conclusion that the significance of business ethics either decreases or increases, depending on the position held, gender, and age of the employee. The ethics program will then be patterned on the conclusion of the relationship between the dependent variable and independent variables, to provide a better and more employee-focused ethics program to the organization.

Ethics is an important construct in the field of business and must be reinforced, thus the study aims at analysing the employees’ perception of it in order to develop a proper ethics program. The goal of the research is to analyse if there is a relationship between the age, position
held, and gender of employees and whether these affect the level of perception an employee has on business ethics. The common issue concerning educating management and entrepreneurs on the premise of ethics is that leaders who are results-driven would ignore classroom learning regarding seminars or lectures on ethics, and instead focus on operations (Development of Business Ethics, 2010). Understanding the relationship between business ethics and employees as well as their work outputs will be able to help HR management in organizational development and employee relations (Koonmee et al., 2010).

Research has suggested that there is a positive correlation between an employee’s performance and its corporate values (Donker and Zahir, 2008). Given the complexities of decision making in business, the encouragement of reasons to include positive ethical values and values statements (as well as ethical actions) moves rational decision making in business one step further in encouraging the promotion and adoption of positive stances toward ethics in business.

**Thesis Structure**

This paper aims to studying and analysing the employees’ perceptions on business ethics within an organization and uses these findings and insights to properly develop an ethics program. The research paper is divided into four basic parts, so as to have a better understanding of all the concepts involved in the study and answer the research question at hand. The research paper begins with the introduction section, followed by the literature review, the research methodology, and lastly, the conclusions. The above flow gives an understanding of the sequence in which the research is done. In the first section, a background of the specific research is presented along with the statement of the research problem and the research questions. The literature review then delves on the concept of ethics in general and its role in forming culture,
followed by a discussion of the context of ethics in business. Furthermore, the literature review showcases past studies on business ethics & its relevance to the company’s stakeholders and former ethics programs used in organizations.

To support the study’s methodology, the researchers introduce the theoretical framework that is used as a basis for the pattern of the research paper. The theoretical framework to be used will follow the notion on the analysis of the relationship of the age, position, and gender of the employee on business ethics and use this to develop an ethics program suitable to the perceptions of the employees. The research methodology will focus on the research approach and design, which serves as the foundation of the data gathering and analysis process. The findings in the research methodology would produce the findings that would answer the research questions and support the research’s conclusions.
Chapter 2: LITERATURE REVIEW

The Role of Ethics in Business

Ethics is believed to be a set of moral beliefs and conduct that discourages acts of self-gain and encourages honest and modest ways of generating business income (Ghosh et al., 2011). Ethics plays an important role in developing a business’ strategic plan as it serves as the backbone of the firm’s principles. The firm’s goal is to provide services and products, and acquire profit through the business’ sales and operations (Ethics Resource Centre, 2009; Kalshoven et al., 2011). In spite of the business’ goal to acquire profit and their return of investment, it is important that the strategies they employ in their operations are bound by moral and ethical standards for their stakeholders (Lewis, 2002). Such measures are not only applicable to their customers, but also to their employees, the community they operate in, the government, and the media (Johnson, 2004; Elango et al., 2010). However, common business practice dictates ethics and corporate social responsibilities to be overlooked due to the firm’s drives to increase sales and revenue (Ghosh et al., 2011). The launch of marketing campaigns and sales advertisements as a mean to market their products and services must be bound by ethical guidelines, which would ensure the safety of the stakeholders, without compromising the effectiveness of the company’s operations (Lewis, 2002; Ferrell and Ferrell, 2011). Since businesses are a type of human activity, aside from evaluating them from an economic perspective, one must also put into consideration the moral obligations (Georgescu, 2012). Understanding and identifying the employees’ common values and priorities is a determinant of the present culture the organization has (Koonmee, 2010). Because of this belief, companies have then focused on instilling a company standard of work ethics to employees, in
order for them to slowly adapt into the company’s environment (Arnaudov and Koseska, 2012).

Business firms are motivated by profitability (Ghosh, et al., 2011). In his study, Crea (2002) stated that the key responsibility of a firm is to achieve the maximization of the business’s profits. In addition, he clarified that in doing so, it should overcome all the obstacles from the surrounding environment. In order to achieve such outcomes, the approach that most companies adopt is to make the firm’s employees to work longer hours, command a high price in market or even ignore the importance of environmental safety (Boddy, 2011; Ferrell and Ferrell, 2011).

In today’s world of business, changes transpire with a quick pace, both in the internal and external operations of an organization (Lewis, 2002; Maignan, Gonzalez-Padron, Hult, and Ferrell, 2011). Crea (2002) indicated that if a company wants to operate successfully in a specific environment, it has to bear responsibility not only for its own self, but towards the society as well. In addition, the company needs to be responsible towards its customers, middlemen, employees and produce/ market products, in order to secure environmental and consumer friendly practices (Maignan et al., 2011). Ferrell (2011) believed that by maximizing the business’s profits, it would also result in the improvement of the economy as the latter would be dependent on the former for success in the long run. Maximizing the profits of the firms should be transparent for open completion, and not to indulge in any kind of fraud in achieving profits (Ferrell and Ferrell, 2011; Maignan et al., 2011). Unfortunately, in the present corporate industry, emerging firms and organizations tend to violate moral and ethical standards in their pursuit to achieve corporate financial gains (Harris, Sapienza, and Bowie, 2009). A possible reason for this unethical business attitude is the common misconception in the industry that adhering to social responsibility would imply a loss in the company’s profit and a compromise in the firm’s
Companies must be responsible in the full disclosure of their product’s materials and effects (Mish and Scammon, 2010; Elango et al., 2010).

The premise of integrating the concept of ethics in the company’s mission statement is not something new (Boddy, 2011). Philosophers such as Aristotle, Mill and Hobbes have agreed that the purpose of ethics is to provide an environment that allows people to live a more structured, happy life as compared to an environment without ethics (Ethisphere, 2010; Maignan et al., 2011).

The Concept of Ethics

Pearl and Hughes (2008) conducted a study that suggested that ethics cannot make the lives of people perfect in the empirical world that exists, but ethics can prevent, or decrease the amount of certain harm from transpiring. What the discipline of business ethics can and must do is to provide an approach for improving the lives of the stakeholders (Ethisphere, 2010; Kalshoven et al., 2011). Furthermore, ethics can help with the improvement of policy evaluation and also aid in exploring how morality affects the economic behaviour of companies and their employees (Tota and Shehu, 2012).

According to Pearl and Hughes (2008), ethics is defined as acting to prevent a substantial harm to others when an individual or group has an opportunity to do so for their own benefit. McAntony (2004) postulated that moral standards deal with matters that we think can seriously injure or seriously benefit human beings. On his part, Kim (1999) asserts that moral judgments function to condemn human plans or activities that make life unbearable for others and morality functions to limit selfish actions that cause such harm. By definition, stakeholders represent the groups most subject to potential benefit or harm by business (Johnson, 2004; Elango et al., 2010). For this study, stakeholders included employees, customers, other supply-chain...
companies, stockholders (as a special group), and communities in which the company operates (Nicholas, 2002). In his study carried out in 2009, Ferrell (2009) postulated that 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. He sampled 50 multinational corporations operating in the U.S. and with employees of various ethnic groups. In essence, 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 (Kalshoven \textit{et al.}, 2011; Ferrell and Ferrell, 2011). Realistically, improving the human condition of stakeholders within the naturally occurring ‘human jungle’ provides an appropriate test for business ethics (Mish and Scammon, 2010; Ethisphere, 2010).

Ferrell (2009) sought to find out what would an ethical society do to help establish an environment for improving the lives of its people? In his opinion, such a society would certainly want to establish an efficient and effective economic system. A system that produces the opportunity for greater economic welfare is very important in facilitating a well-structured, happy life for the citizens of that society (Navran, 2002; Ethisphere, 2010). From the findings of the study, it was clear that the only thing that an ethical society would do is to give more focus to business and business ethics. However, since few, human social systems work perfectly, an ethical society would also want to minimize the abuses of the imperfect economic system selected, while still attempting to maintain the creativity, efficiency, and effectiveness of that system (Mish and Scammon, 2010; Maignan \textit{et al.}, 2011). This society would also expect the companies operating in that system to behave in a manner that minimizes the abusive use of power and reasonably assists their stakeholders with the negative impact of chance (Carlson \textit{et al.}, 2011).
**Ethics in the Business Culture**

In his study, Stephen Howard, Chief Executive of Business in The Community, found out that marketing is just achieving competitive advantage of a product over competitor’s products, to have a link with the customers and to derive profit out of doing business (Howard, 2011). For this study, 715 marketing executives of different ethnic backgrounds were sampled for this research. However, by connecting with people, the research provided an opportunity to evaluate social and environmental issues through the values that are attached with the products and services that the customers buy (Howard, 2011).

According to the findings of this study, organizations have cultures related to, but are distinct from the broader society in which they are embedded. Components of culture consist of beliefs, values, norms, symbols, practices, and physical artefacts (Howard, 2011). Business associations are like other organizations whose members have shared beliefs, values, and formal and informal norms, and mechanisms for monitoring member behaviour, sanctioning non-compliance, and rewarding compliance with norms (Johnson, 2004; Elango et al., 2010). This study took an ethical approach to consider business associations as organizations of organizations each of which possesses a culture that, we posit, influences member business social performance through isomorphic processes characteristic of relationships among organizations in organizational fields (Navran, 2002; Tari, 2011).

In a study involving 58 companies based in the U.S., Campbell (2005) exhibited that managers should understand that it is the moral right of the customers to know the adverse effects of usage of a company’s products. On the other hand, by not coming out with adversative effects of their products, the company would be safeguarding the rights of the other stakeholders of the company (Campbell, 2005).
The research findings showed that management is not interested in letting the board of directors know about the malpractices within the company. This was done with the sole aim of protecting their job. In this, it sold its products to consumer with utter disregard of any ethics and conscience (Campbell, 2005). During the study, employees of the companies with decision making powers were tasked to identify the immediate corrective actions that would ensure that virtues of ethics and morality were maintained. In addition, they were to apprise the stakeholders of the entire situation with pros and cons. The stakeholders were made aware of their moral obligations and made to understand why and under what circumstances a particular decision was made (Campbell, 2005).

Kaptein (2010) has developed a model that measured ethics in the business culture. The said mode utilized three business ethics theories, namely: (1) virtue ethics, (2) deontological ethics, and (3) consequential ethics. The three ethical theories represent intentions, actions, and effects, respectively. Kaptein (2010) measured the perceptions of employees and managers on these three theories to determine the degree of ethical culture that is present in their organization. The conclusion was that the more present these theories are in the workplace, the more ethical the organization is (Kaptein, 2010).

According to the results tabulated from the companies sampled, it was clear that every company has a responsibility to take care of the interests of all of the stakeholders and just not its own interest (Campbell, 2005). In essence, any business draws its sustenance from the society in the form of inputs (Lewis, 2002). There has to be a socially responsible behaviour which would help to maintain this relationship. The business decisions which the company took had a direct impact on the society, where it operates (Tari, 2011). In concisely, the business must fulfil the social obligations as a compensation for undermining the legitimate interests of the society.
The ironic law of responsibility, wherein an increase in power entails an increase in social responsibility, drives the need for a creative business ethics strategy (Carlson et al., 2011). The social responsibility legitimizes and promotes economic objectives of business. When the social life is improved, the business can have good customers, employees and community (Lewis, 2002).

It was observed that management was not interested in letting the board of directors known about the malpractices within the company. Even employees are forced to lie to consumers on the product details of the company as a cover up. It also sold its products to consumer with utter disregard to any ethics and conscience (Tarí, 2011). Now, as an employee of the company with decision making powers, one has to identify the immediate corrective actions that would ensure that virtues of ethics and morality are maintained. Another task is to apprise the stakeholders of the entire situation with pros and cons (Navran, 2002; Pulliam, 2003).

Organizations have cultures related to, but distinct are from the broader society in which they are embedded (Tari, 2011). Components of culture consist of beliefs (agreements about what is time), values (agreements about what is good and important), norms (behavioural expectations and patterns), symbols, practices, and physical artefacts (Mish and Scammon, 2010; Kalshoven et al., 2011). Business associations are like other organizations whose members have shared beliefs, values, and formal and informal norms, and mechanisms for monitoring member’s behaviour, sanctioning non-compliance, and rewarding compliance with norms. Our approach is to consider business associations as organizations of organizations each of which possesses a culture that, we posit, influences member’s business social performance through isomorphic processes characteristic of relationships among organizations in organizational fields (Campbell, 2005).
Company Values. According to the findings of this research study, virtues such as honesty and generosity do not entail being just a required or a desirable character symptom (Navran, 2002; Howard, 2011). Values are the rules that guide individuals in deciding what is morally right or wrong (Tseng and Fan, 2011). Values are the beliefs of people that help them make correct decisions. Morals on the other hand are very broad concept of what is good and what is bad. People are judged more strongly on morals than on values (Pulliam 2003; Ethisphere 2010). In relation to this, business ethics are concerned with the moral and immoral behaviours that happen in the corporate industry (Tota and Shehu, 2012). The acts are based on the instilled values of the employees in the corporation.

Howard (2011) believes companies are responsible for not giving accurate and truthful information to their clients and customers. In doing so, companies often look at their own interests and should not do so if it brings harm to their organization (Maignan et al., 2011; Tseng and Fan, 2011). The main goal of an organization is to exercise proper business ethics and give satisfactory and honest service to their clients, which will progress to employee loyalty and trust (McMurrian and Matulich, 2006). While admitting that competitiveness goal of the company is important to ensure that business ethics and guidelines are followed and adhered to, it is often seen that different point of views have no absolute but only relative values when it comes to their usage in terms of morality and ethics (Mish and Scammon 2010; Boddy 2011).

The researcher stated that the utilitarianism concept works most of the time whereby the good action mostly results in good results. In case of company’s economic responsibilities call in for maximization of the firm’s shareholder’s profits by dealing in goods and services that are in demand in the market, the discretionary responsibilities for management would be in the form of
doing something for the society at large. This may include donation made to charity or initiatives meant to safeguard the environment (Campbell 2005; Tari 2011).

**Corporate Social Responsibility**

In these modern times, businesses are doing their bit for the society thereby returning to the society what they have taken from it (Navran 2002). The same is reason for the firms investing in friendly initiatives. These initiatives give a firm a wider sense of justice and a sense of responsibility. These strategies are important for the success of a firm in the longer run (Elango et al 2010; Maignan *et al* 2011).

Any business draws its sustenance from the society in the form of inputs. So there has to be a socially responsible behaviour which would help to maintain this relationship. The business decisions which the company takes have an impact on the society, where it operates (Pulliam 2003). So, the business must fulfil the social obligations as a compensation for undermining the legitimate interests of the society (Navran 2002; Tseng and Fan 2011). The Company grows and so does its power. As its power grows, the responsibility it has for the society also increases. In the long run those who do not use their power in a manner that society considers responsible will lose it (Development of Business Ethics, 2010). This is the iron law of responsibility. The social responsibility legitimizes and promotes economic objectives of business. When the social life is improved, the business can have good customers, employees and community (Ethisphere 2010; Carlson *et al* 2011).

Woolard (1989) noted that for an organization, it is important to ensure that its Management works in a fair manner with regard to its recruitment, selection and the training purpose. This should be applicable to its entire staff – the external and the internal ones. Thus it is important for companies to:
In order to meet its strategic objectives it should look forward to hire the most qualified staff (Kalshoven et al. 2011).

Provide equal opportunities for employment to the entire candidates interested in joining the company. This should show that the organization follows a high standard of professionalism when it comes to the recruitment and selection of and select its staff for a particular post (Tarí 2011).

Post the selection process the organization should provide its staff a smooth induction program so that he or she understands the working of the company and its work culture better (Treviño et al. 2004).

The law formulates that every worker has rights and obligations under various legislated acts. The key legislation relevant to recruitment practices involves equal opportunities and anti-discrimination in employment (Tseng and Fan 2011). Thus the legislation would essentially include the following laws:


**Employees and Business Ethics.** The work environment greatly affects and influences the commitment, work output, and performance of an employee (Koonmee et al., 2010). Managers who are grounded with strong ethical values have a positive impact on the employees they handle (Piccolo, Greenbaum, den Hartog, and Folger, 2010). This impact then results in improved task performance and enhanced professional behaviour from the employees. Ethical leadership, the promotion of ethical behaviour to co-workers and the ability to incorporate business ethics to higher management decision-making, plays a vital role in motivating and
influencing employees to become more ethically aware (Walumbwa et al., 2011). Thus, managers who do not have strong ethical traits may have a tendency to be unable to promote an ethical environment in the workplace.

Feedback is an instrument through which employees can share any information about the consequences of a particular behaviour (Stern, 2002; Ethisphere, 2010). Corrective feedback improves the ability of individuals and thereby helps in the distributive and procedural justice in a business setup where all people irrespective of their position get evaluated by their peers, managers and co-employees (Treviño et al., 2004). Creating an atmosphere where positive feedback motivates future behaviour of the employees (Mish and Scammon, 2010). According to the motivation theory, an individual’s motivation level is correlated to his perception of equity, fairness and justice practiced by the management. The Higher an individual’s perception of fairness is, the greater the motivation level and vice versa (Kalshoven et al., 2011).

Sharing management practices which are used in certain locations for all other locations will definitely increase the sharing of the culture between the two working culture (Stern, 2002; Maignan et al., 2011). Suppose if there are different management practices which are offered in Japan and different in Australia, then it will definitely help both the offices for knowing better about the working culture of both places.

In creating global policies/processes for data management, performance managing, compensation, education and development, there are a lot of issues which are presented to the employees that are working in more than a nation regarding the data management of the company’s information (Mish and Scammon, 2010; Treviño et al., 2004). There should be some policies made regarding the database management of the company’s information. The global
policies should be created for the data management, performance management, compensation and the development (Tseng and Fan, 2011).

**Employee Relations.** It is thus seen that one of the major issues which are related to Human Resource is the relocation of the employee at any time whenever there is a requirement of any situation or project experienced person in a particular place (Tseng and Fan, 2011). Although some are not fond of sudden shifts, other employees see it as an opportunity to gain more work experience (Treviño et al., 2004), but it depends all on the management team of the company how they deal with the psychology of the person who is dealing with this kind of situation (Lewis, 2002; Maignan et al., 2011). As a way of compensating for the employee’s relocation, the company management team can also suggest the increment through perks, compensation, and benefits, which will lead to an increase in the morale of the employees (Ethics Resource Centre, 2009; Carlson et al., 2011)

An ethical society can help establish an efficient and effective economic system (Navran, 2002; Treviño et al., 2004), in an attempt to improve the lives of the individuals. A system that produces the opportunity for greater economic welfare is very important in facilitating a well-structured, happy life for the citizens of that society (Stern, 2002; Carlson et al., 2011). However, since few, if any, human social systems work perfectly, an ethical society would also want to minimize the abuses of the “imperfect” economic system selected, while still attempting to maintain the creativity, efficiency, and effectiveness of that system (Johnson, 2004; Maignan et al., 2011). This society would also expect the companies operating in that system to behave in a manner that minimizes the abusive use of power and reasonably assists their stakeholders with the negative impact of chance (2002; Stern, 2002; Ethisphere, 2010; Lewis).
**Theoretical Framework**

**Kohlberg's Model of Cognitive Moral Development.** The Model of Cognitive Moral Development proposed by Kohlberg (1969) focuses on the aspect of cognition during the process of making ethical-oriented decisions within a firm. It is a tried and tested instrument applicable in examining inquiries concerning how firms deal with concerns and decisions related to ethics, primarily pointing towards the things that are ethical or unethical. In that regard, this model can be utilized in the study for determining whether the employee’s perception of the value of ethics is dependent on the employee’s age, position, and gender. Furthermore, if there is indeed a relationship, the framework can help determine the degree of ethics as it varies among different age groups, genders, and job positions held. This model has been chosen by the researcher as it focuses on the cognitive aspect of making decisions based on the perception on ethics, while addressing the complexity and the sophistication of each situation. In that light, this framework would delve closely on the underlying reasons that people utilize in the justification of an ethical decision, as opposed to the choice taken or the results (Ferrell and Gresham, 1985).

It is important to note that one's moral judgement exhibits one's evaluation based on what is perceived as what is right or wrong. Judging moral inhibitions is based on value, which involves the stakeholders involved, as well as concerned with the consideration of responsibilities and rights. The chosen model's validity relies on the correlation between people's capacity to make ethical decisions and their behaviour (Ferrell and Gresham, 1985).
Individual Variables: The CMD Model presents both the individual and situational variables. There are specific individual variables that affect the probability of an individual to take action on what is deemed ethical or not. These variables are: 1) ego strength; 2) field dependence; and 3) locus of control (Ferrell and Gresham, 1985; Velasquez, Andre, Shanks and Meyer, 1987).

Ego Strength: This variable presents an individual's conviction or the strength of self-regulation. People who receive a high score under this construct are projected to be more capable in abiding by their convictions and resisting their impulses. Those who score low are believed to be those who easily give in to impulse rather than accepting to self-regulate. This construct presents that the higher the ego strength that one has, the more consistent he is in terms of making decisions and taking actions based on morals and ethics. These are individuals who do
what they think is correct, not what they feel is right. The key factors that affect ego strength are IQ and attention (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Field Dependence:** This variable implies that in uncertain situations wherein referents offer knowledge that reduces uncertainty, people who are deemed "field dependents" make use of external social referents in choosing how they act, as these serve as a guide for their behaviour. Individuals who score high on field dependence are those who portray greater autonomy and are more consistent with their thoughts and actions. Decisions affected by ethical concerns are ambiguous by nature, thus presenting a conflict in terms of principle and right. As a means to reduce uncertainty, the assistance of external referents is useful in providing information. This construct serves to moderate the correlation between ethical cognition and ethical actions (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Locus of Control:** This construct focuses on explaining ethics-oriented behaviour by identifying a person's perception of the degree of control one can exert in certain circumstances. This construct categorizes two types of individuals, which is internal or external. Internals are those who perceive that results are based on one's efforts, whereas externals believe that circumstances transpire based on luck, fate or destiny, thus making such events uncontrollable. It can then be determined that external individuals are those who are less accountable of the implications of their behaviour, and depend on external forces. On the other hand, internal individuals are those who will take responsibility of their decisions and actions, utilizing one's ethical principles to guide their behaviour (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Situational Variables:** Individuals within a firm possess individual traits and a certain degree of cognitive moral development. However, it is important to note that the premise of moral action is based on the context of social interactions, thus being considerably affected by
situational variables. It can then be concluded that a person's behaviour, regardless of its being ethical or unethical, are not solely based on their personal traits. It is heavily influenced by the context of social scenarios. Individuals who are more susceptible to being affected by situational variables are those whose cognitive moral development is on a conventional level. It is also important to consider that individuals' cognitive moral development is affected by work experiences (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Reinforcement:** This construct implies that the behaviour displayed by an individual is based on the outcome of the consequences of the actions carried out. This then presents the perspective that employees within an organization can be influenced by means of a rewards and punishments system in displaying ethical or unethical behaviour. Organizations can then reinforce ethical decisions and actions by presenting clear definitions of what behaviours would be rewarded or punished (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**External Pressure:** Personal costs and pressures affect a person's moral behaviour. Such pressures can be attributed to time pressure and personal dilemmas, to name a few (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Characteristics of Work:** An individual's work is important in the continuous development of moral stages. Two identified traits of one's work that affect moral development are: 1) role taking; and 2) Resolution of Conflict (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Role Taking:** This construct pertains to considering other peoples' perspectives. The centralized nature of making decisions in terms of communicating within a specific group presents a high degree of role-taking. Individuals whose jobs enable them to engage in complicated roles presents some promise in terms of cognitive moral development, as this
exposes them to making decisions and actions that would require considering the attitudes of other people, such as stakeholders. Role taking places great value on open communication (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Resolution of Conflict:** This construct describes an individual's responsibility of managing conflict, which is emphasized in jobs wherein people are held responsible in resolving moral conflicts (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Organizational Culture:** The moral development of individuals within an organization is also affected by the culture of the organization. In essence, organizational culture can be determined by a common set of beliefs, values and assumptions that are shared by individuals within an organization. This construct does not only affect peoples' perceptions and emotions, but serves as a guide as to how people should act. Organizational culture can be identified through traditions, rituals, and ceremonies, to name a few. A defined culture within a firm can either help or repress the development of an employee's moral cognition, through the availability and reinforcement of role taking tasks and decision making opportunities (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Normative Structure:** Culture presents the standard, or the defined collective norm that serves the guide in which individuals are expected to follow in terms of the behaviour displayed. Based on the construct of normative structure, a strong culture possesses a normative structure; as such culture defines the proper behaviour that must be demonstrated within the organization. This type of organizations aims to share a common set of values and principles, as well as objectives and purposes. Such standards present a clear definition of the organization's beliefs and code of conduct. A normative structure enables an organization to judge behaviour based on what is ethical or not within a company due to the specified set of values, as well as the people
responsible in carrying out and reinforcing the aforementioned values and beliefs. A weak culture would present a contradiction in the system and the manifestation of sub-cultures (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Referent Others: This** construct pertains to people who considerably affect how ethical decisions are made within an organization. In assessing behaviour associated with making moral decisions in terms of affecting the ethical behaviour of employees within an organization, it is important to focus on determining the relevant "referent others" that would serve as a model wherein the set of ethical behaviours would be exemplified. This premise can also be effective by modifying the behaviour displayed by the identified "referent others" within the company, which can be the firm's upper management or those that employees look up to (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Obedience to Authority: Specific** means of influencing ethical behaviour based on the culture prevalent within an organization can be based on two premises: 1) authority relationships; and 2) defined accountability of each individual based on their actions. In the work place wherein legitimate authority is accepted, orders from the forms of authority would be carried out by employees in spite of personal moral contradictions (Ferrell and Gresham, 1985; Velasquez et al., 1987).

**Responsibility for Consequences: In** order for norms to be effectively implemented within a group, a definite awareness of the implications of one's actions, as well as their accountability for themselves are needed to be emphasized. An organizational culture may be structured in a way that would make each member of the group become aware their personal responsibility, as well as the consequences of each decision and action they partake. Such implications can be promoted through the definition of roles and hierarchy. This construct
presents that if a firm is geared towards promoting moral decisions and actions, the encouragement of individual responsibility must be promoted in every level of the company. Otherwise, individuals will decide and take action with moral disregard as they can put the blame on other people (Ferrell and Gresham, 1985; Velasquez et al., 1987).

Chapter 3: RESEARCH METHOD

The purpose of this study is to examine the relationship of business ethics with the position, age, and gender of employees from organizations to develop an ethics program which match the perceptions of employees on ethics. A quantitative correlational study considering employees from organizations as study participants were employed to achieve the purpose of the study. The participants were asked to respond to a questionnaire that consists of five parts. The questionnaire includes the demographic characteristics of participants in terms of age, position, and gender as well as the perceptions of participants on business ethics in terms of individual, organizational, operational, situational, and characteristics of work. The data gathered from the questionnaires were analysed to address the research questions posed in this study.

This chapter provides a detailed discussion of the methods that are used to conduct the proposed research study. The research method and design are discussed first, followed by the participants and sample size. Instrumentation is then presented along with the data collection
Research Questions

The following research questions were addressed in this study:

1. To what degree, if any, does a relationship exist between employee perception of business ethics and the age of employees in the organization?

2. To what degree, if any, does a relationship exist between employee perception of business ethics and the job position of employees in the organization?

3. To what degree, if any, does a relationship exist between employee perception of business ethics and the gender of employees in the organization?

Research Design

A quantitative correlational research design was utilized to assess the relationship of business ethics with the position, age, and gender of employees from organizations (Babbie, 2012). The quantitative correlational research design is a non-experimental design which does not consider the cause and effect relationship between variables. Instead, the correlational research design considers the analysis of the relationship between pre-identified variables.

A quantitative as opposed to a qualitative research design is employed in this study because the purpose is to objectively measure the construct of the perspectives of employees on business ethics. A survey questionnaire was utilized to quantitatively measure the perspectives of participants on business ethics. The variables considered in the study are categorical, ordinal, and continuous in nature. A categorical variable represents data for groups or classifications which are represented by numerical values. For example, the variables of gender and position
are considered to be categorical in nature because participants are classified under each group or category (e.g. male or female). Ordinal variables are variables that can take a set number of values, such as a 1-5 Likert scale, but can only take those values and the order to have meaning. The age variable is also considered as ordinal because the classifications and numerical representations of each define the order from the youngest to the oldest participant. Continuous variables include numerical outputs such that the values can take on any number between a given ranges (Bernard, 2012). Given that there is one dependent variable and three independent variables, one-way ANOVA tests were conducted to assess whether the variables of age, position, and gender were related to the perspectives of employees on business ethics.

For the purpose of this study, a survey methodology was utilized in order to gather responses from participants (Marshall & Rossman, 2008). The survey questionnaire was used to measure the perspectives of participants on business ethics in terms of the following subscales: individual, organizational and operational, situational, and characteristics of work. Participants were also asked to identify their age, position, and gender. Because the focus of this study is on examining the relationship between the independent and the dependent variable, a correlational research design was decided as most appropriate (Bryman, 2012).

**Target Population and Sampling**

The target population for this study is employees from an organization. A total of 130 employees were invited to participate in this study. The 130 employees were composed of 17 from top management, 46 from middle management, and 67 from among lower level personnel. The employees were part of organizations which were comparable in terms of size to ensure that potential participants were representative of the target population considered in this study.
A stratified random sampling procedure was used to select the sample in order to ensure that participants were sufficient to represent the total population. The stratified random sampling technique is considered more representative of the total population as opposed to the simple random sampling because it is focused on inviting participants based on their position level in the organization. From the 130 invited employees, a total of 70 participants agreed to participate in the study. Respondents were sorted by level in the management hierarchy and a percentage in each level calculated as 10 from top management (14.29%), 40 from middle level management (57.14%), and 20 from among the operations level staff (28.57%). Therefore, the response rate was determined to be 54%.

**Instrumentation**

The survey questionnaire was composed of five parts. The first part included the demographic questions for the participants. The demographic questions included information on the age, gender, and position of the participant in the organization. The second part considered Likert-type questions on the perspectives of employees on business ethics. Participants were asked to rate their level of agreement on each statement considering the following scale: 1 denotes strongly disagree, 2 denotes disagree, 3 denotes neutral, 4 denotes agree, and 5 denotes strongly agree. The second part of the questionnaire involved 13 Likert-type questions about individual variables, 10 items for the operational variables, eight items for the organizational variables, seven items for the situational variables, and seven items for the characteristics of work. The scores of participants in each of the subscale will be summed up to calculate the overall scores for the perspectives on business ethics.
**Data Collection Procedures**

An approval to conduct the study was obtained from the Institutional Review Board (IRB). After obtaining approval, a letter of intent to conduct the study was sent to the organization considered in this study. The organizations considered in this study were: *Coca-cola and Pepsi-Cola*. It was ensured that these organizations were similar in terms of size. The letter of intent will include a brief background of the study, the purpose of the study, and the role of the participants. Once the organizations have allowed the researcher to administer the data collection of the study, an e-mail invitation will be sent to all prospective participants. The e-mail invitation will also include a brief background of the study, the purpose of the study, the role of the participants, and the link to the survey questionnaire in Survey Monkey.

At the end of the e-mail invitation, participants will be asked whether they agree to participate in the study or not. Participants who agreed to participate will be asked to click on the link to the survey questionnaire in Survey Monkey. Participants were asked to sign the informed consent form prior to being directed to the actual survey questionnaire. Only participants who agree to participate in the study were allowed to respond to the survey questionnaire. The first part of the survey questionnaire included questions on demographic characteristics. The succeeding parts of the survey questionnaire involved Likert-type questions on individual, operational and organizational, situational, and characteristics of work. Participants were asked to determine their level of agreement or disagreement to the statements in the survey questionnaire. After completing the survey questionnaire, participants were thanked for their participation in the study.

Follow-up e-mails were sent to potential participants who have not responded to the e-mail invitation after one week. The data collection was closed two weeks after the first invitation
was sent to prospective participants. After two weeks, a total of 70 participants were gathered as participants in the study. The data from Survey Monkey were downloaded and prepared for analyses. The data were saved in a password-protected computer to ensure the confidentiality of participants. Moreover, there were no identifiable information that were collected to ensure anonymity of participants. All data will be destroyed three years after the completion of the study.

**Data Analysis Procedures**

Statistical software called the Statistical Package for Social Sciences (SPSS) v19.0 was used to analyze the data. The data collected from the participants were inputted to the statistical software. The data gathered were analyzed through descriptive statistics and inferential statistics. Categorical variables were inputted as numerical values. For gender, males were recoded as 1 and females were recoded as 2. In terms of age, participants from 18 to 27 years old were coded as 1; 28 to 40 years old were coded as 2; 41 to 55 years old were coded as 3; and 56 to 65 were coded as 4. In terms of position, participants were classified as administration (1), production (2), quality control (3), sales and marketing (4), information technology (5), and others (6). Descriptive statistics were utilized to describe the participants as well as the scores for the perceptions of participants on business ethics. The demographic characteristics were presented as frequency and percentages while the perceptions of participants on business ethics were presented using measures of central tendency such as the mean, standard deviation, and range.

In order to respond to the research questions posed for the study, a series of one-way ANOVA tests were conducted in order to compare the mean scores on the perceptions on business ethics based on the categories of the demographic characteristics, age, position, and
gender. The independent variables included: age, position, and gender. The dependent variable was the perceptions of participants on business ethics. If a significant difference exists, this implies that the independent variable was related to the dependent variable. Therefore, a post hoc test was conducted to determine which of the categories were related to the perceptions on business ethics. If a significant difference exists, then there is sufficient evidence to reject the null hypothesis posed in this study. A significance level of .05 was utilized for all statistical analyses.

**Ethical Considerations**

The employees from Pepsi-Cola and Coca-Cola were considered as participants of this study. Therefore, it is necessary to consider ethical assurances to ensure confidentiality and anonymity of participants. It is critical to ensure that human participants were protected throughout the study. For the purpose of this study, participants were protected through an informed consent form and confidentiality. An informed consent form was utilized to ensure that participants were aware of the conditions of the study. The informed consent form included a description of the rationale for the study, the premise of the study, and the purpose of the study. The informed consent form also indicated that participants could withdraw from the study at any time without reprisal or loss of benefit or penalty. Eligible participants were informed that the current study may be published in a nationally recognized peer-reviewed journal and that any personal information and the results of their particular surveys will be kept confidential. Potential participants were also informed that participation in the current study poses no foreseeable risks for participating in the study. Prior to permitting eligible participants access to the survey website, signed informed consent waivers were required.
On the other hand, to ensure confidentiality of the participants, both confidentiality and anonymity were enforced throughout the study. To further protect the confidentiality of the study participants, the collected data were secured under password protection. Assuring participants of their confidentiality encourages participants to be honest when responding to survey questions (Stephens, 2007).

Participants in the study were asked to omit any personal information such as the name and address or other pertinent information that could be used to identify and locate the participant. The data will be kept three years after the completion of the study. However, if participants want to delete their information from the survey results, these will be removed from the study or the data will be deleted after the study’s completion. Only aggregate and statistical data from the study will be made available upon request.

Summary of the Chapter

A quantitative correlational research design was employed for this study considering the constructs of business ethics such as the individual’s perspective on business ethics, organizational culture, situational variables, and characteristics of work as the dependent variables. The independent variables were the age, job position, and gender of participants. Quantitative research approach is typically used when variables need to be numerically measured and quantified (Creswell, 2005).

A correlational research design was determined to be appropriate for the study because the study is focused on examining relationships between predetermined variables. A quantitative research approach was appropriate because the variables can be studied using quantitative measures such as survey instruments. A survey instrument was utilized to measure the constructs of business ethics. Participants were asked to rate their level of agreement to
statements on business ethics based on their current practices and organizational practices. Participants were asked to sign the informed consent forms prior to participating in the study. Once the participants signed the consent forms they were asked to complete the survey questionnaire. The responses were gathered and prepared for analysis in SPSS 19.0. Descriptive statistics and inferential statistics such as the one-way ANOVA test was used to analyze the answers to the research questions posed for this study. The statistical tests considered a .05 level of significance.

**Chapter 4: Results**

The purpose of this study was to examine the relationship of business ethics with the position, age, and gender of employees from organizations to develop an ethics program which match the perceptions of employees on ethics. Employees from organizations were considered as study participants. Participants were asked to respond to the survey questionnaire in order to measure the perspectives of participants on business ethics. Specifically, this study was focused on addressing the following research questions:

1. To what degree, if any, does a relationship exist between employee perception of business ethics and the age of employees in the organization?

2. To what degree, if any, does a relationship exist between employee perception of business ethics and the job position of employees in the organization?

3. To what degree, if any, does a relationship exist between employee perception of business ethics and the gender of employees in the organization?
Descriptive Statistics

A total of 70 participants agreed to participate in this study. The description of the participants is presented in Table 1. Participants were described based on the demographic characteristics such as gender, age, and position in the organization. Out of the 70 participants, there were 41 male participants (58.6%) and 29 female participants (41.4%). In terms of age, participants were classified based on four categories: 18-27; 28-40; 41-55; and 56-65. A total of 36 participants (51.4%) were classified in the group of 28 to 40 years old while 16 (22.9%) and 15 participants (21.4%) were classified as 41 to 55 years old and 18 to 27 years old respectively. Participants were also described considering their current positions in the organizations. Most of the participants were holding positions in sales and marketing ($n = 18, 25.7\%)$ and production ($n = 16, 22.9\%)$.

Table 1: Frequency and Percentages of Demographic Characteristics

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>41</td>
<td>58.6</td>
</tr>
<tr>
<td>Female</td>
<td>29</td>
<td>41.4</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-27</td>
<td>15</td>
<td>21.4</td>
</tr>
<tr>
<td>28-40</td>
<td>36</td>
<td>51.4</td>
</tr>
<tr>
<td>41-55</td>
<td>16</td>
<td>22.9</td>
</tr>
<tr>
<td>56-65</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>Totals:</td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>10</td>
<td>14.3</td>
</tr>
<tr>
<td>Production</td>
<td>16</td>
<td>22.9</td>
</tr>
<tr>
<td>Quality Control</td>
<td>10</td>
<td>14.3</td>
</tr>
</tbody>
</table>
Data were also gathered for the perspectives of participants on business ethics. Table 2 presents the measures of central tendency for the business ethics variables. Five variables were considered as part of the perspectives of employees on business ethics. These variables include individual, operational, organizational, situational, and characteristics of work. The sum for all subscales of the perspectives on business ethics was considered as the individual scores of participants’ perspectives on business ethics within variables. The subscales include the sum of 13 Likert-type questions about individual variables, ten (10) items for the operational variables, eight (8) items for the organizational variables, seven (7) items for the situational variables, and seven (7) items for the characteristics of work. The mean and standard deviation scores are presented in Table 2. As observed from Table 2, the mean score for the perspectives on business ethics was observed to be 148.36 (SD = 5.21). The range of scores is from 136 to 159 which implies that the minimum score is 136 while the maximum score is 159.

<p>| Table 2: Descriptive Statistics of Perspectives on Business Ethics Variables |
|--------------------------------------------------|---|---|---|---|---|</p>
<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Variable</td>
<td>70</td>
<td>43</td>
<td>52</td>
<td>47.23</td>
<td>2.00</td>
</tr>
<tr>
<td>Operational Variable</td>
<td>70</td>
<td>21</td>
<td>42</td>
<td>35.29</td>
<td>3.24</td>
</tr>
<tr>
<td>Organizational Variable</td>
<td>70</td>
<td>13</td>
<td>25</td>
<td>18.16</td>
<td>2.68</td>
</tr>
<tr>
<td>Situational Variable</td>
<td>70</td>
<td>21</td>
<td>29</td>
<td>26.67</td>
<td>1.91</td>
</tr>
<tr>
<td>Characteristics of Work</td>
<td>70</td>
<td>14</td>
<td>29</td>
<td>21.01</td>
<td>2.89</td>
</tr>
</tbody>
</table>
Data Analysis

A series of one-way Analysis Of Variance (ANOVA) were used to assess the relationship of the gender, age, and position to the perspectives on business ethics. Table 3 presents the results of the analysis for the independent variable gender. As observed in Table 3, there was no significant difference in the mean scores of individual, organizational, situational, and characteristics of work between male and female participants ($p$-values $> .05$). However, there was a significant difference in the mean operational scores of male and female participants ($F(1, 69) = 7.671$, $p$-value $= .007$). Overall, it was determined that there was also no significant difference in the mean scores on the score of the perspectives on business ethics based on gender ($p$-value $> .05$). Therefore, it can be determined that the evidence states that the perceptions on business ethics is not related to the different genders in the workplace. Past research reviewed by the researchers were not able to find significant data pertaining to perceptions of genders on ethics in the workplace. Based on the data testing, perceptions of men and women have no significant difference among each other.

Table 3: ANOVA Test for Difference between Perspectives on Business Ethics Variables based on Gender

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Variable</td>
<td>Between Groups</td>
<td>0.476</td>
<td>1</td>
<td>0.476</td>
<td>0.117</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>275.867</td>
<td>68</td>
<td>4.057</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td>276.343</td>
<td>69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational Variable</td>
<td>Between Groups</td>
<td>73.219</td>
<td>1</td>
<td>73.219</td>
<td>7.671</td>
</tr>
</tbody>
</table>
One-way ANOVA tests were also conducted to assess the difference between the perspectives on business ethics based on age. As observed from the results presented in Table 4, there was no significant difference in the subscales of individual, operational, organizational, situational, and characteristics of work ($p$-values < .05). Moreover, there was no significant difference between the perspectives of participants on business ethics based on age ($p$-value < .05). Thus, there was insufficient evidence to indicate that there is a relationship between the perceptions on business ethics based on age. Although other subscales were seen as significant,
the testing on the perspectives of participants on business ethics based on age yielded negative results.

Age is often compared to the longevity and work status held by the employees (Walumbwa et al., 2011). Contrary to the findings on age, past research has found that the older the age, the more familiar one is with business ethics (Walumbwa et al., 2011). However, this does not guarantee ethical honesty among older employees. Some of these are said to create pressure in the workplace by influencing others to commit ethical mistakes (Kish-Grephart, Harrison, & Trevino, 2010). The past findings were not parallel to the current results of the data testing.

Table 4: ANOVA Test for Difference between Perspectives on Business Ethics Variables based on Age

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
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<tr>
<td><strong>Individual Variable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>7.854</td>
<td>3</td>
<td>2.618</td>
<td>0.644</td>
<td>0.59</td>
</tr>
<tr>
<td>Within Groups</td>
<td>268.489</td>
<td>66</td>
<td>4.068</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td><strong>276.343</strong></td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational Variable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>38.026</td>
<td>3</td>
<td>12.675</td>
<td>1.223</td>
<td>0.308</td>
</tr>
<tr>
<td>Within Groups</td>
<td>684.26</td>
<td>66</td>
<td>10.368</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td><strong>722.286</strong></td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Organizational Variable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>29.033</td>
<td>3</td>
<td>9.678</td>
<td>1.364</td>
<td>0.261</td>
</tr>
<tr>
<td>Within Groups</td>
<td>468.239</td>
<td>66</td>
<td>7.095</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td><strong>497.271</strong></td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Situational Variable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>11.905</td>
<td>3</td>
<td>3.968</td>
<td>1.093</td>
<td>0.358</td>
</tr>
<tr>
<td>Within Groups</td>
<td>239.538</td>
<td>66</td>
<td>3.629</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A series of one-way Analysis Of Variance (ANOVA) were also conducted to assess the relationship of position to the perspectives on business ethics. Table 5 presents the results of the analysis for the independent variable position. As observed in Table 5, there was no significant difference in the mean scores of operational, organizational, and the characteristics of work variables between participants who held different positions (p-values > .05). However, there were significant differences in the mean scores on individual ($F(5, 69) = 3.973$, $p$-value = .003) and situational variables ($F(5, 69) = 3.443$, $p$-value = .008) as well as the overall score of the perspectives on business ethics based on position ($F(5, 69) = 3.578$, $p$-value = .006). Therefore, it can be determined that there is a relationship between the perceptions on business ethics and an employee’s position in a company. Past research has indicated that managers must also be aware of the implications of business ethics in the organization (Campbell, 2005), which is in line with the findings of the study. Moreover, past research by Piccolo et al. (2010) stressed that leaders are role models in influencing and developing the ethical beliefs and behavior of their respective employees. This is in line with the results of the data, indicating that the level of business ethics is dependent on the position held by the employee in a company. For instance, leaders are
expected to be more knowing of ethical procedures in order for them to impart and teach these to their subordinates (Piccolo et al., 2010).

Table 5: ANOVA Test for Difference between Perspectives on Business Ethics

<table>
<thead>
<tr>
<th>Variables based on Position</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable Between Groups</td>
<td>65.461</td>
<td>5</td>
<td>13.092</td>
<td>3.973</td>
<td>0.003</td>
</tr>
<tr>
<td>Within Groups</td>
<td>210.882</td>
<td>64</td>
<td>3.295</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td>276.343</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable Between Groups</td>
<td>57.437</td>
<td>5</td>
<td>11.487</td>
<td>1.106</td>
<td>0.366</td>
</tr>
<tr>
<td>Within Groups</td>
<td>664.849</td>
<td>64</td>
<td>10.388</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td>722.286</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable Between Groups</td>
<td>54.038</td>
<td>5</td>
<td>10.808</td>
<td>1.561</td>
<td>0.184</td>
</tr>
<tr>
<td>Within Groups</td>
<td>443.233</td>
<td>64</td>
<td>6.926</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td>497.271</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situational</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable Between Groups</td>
<td>53.294</td>
<td>5</td>
<td>10.659</td>
<td>3.443</td>
<td>0.008</td>
</tr>
<tr>
<td>Within Groups</td>
<td>198.149</td>
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<td>3.096</td>
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<td></td>
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<tr>
<td>Totals:</td>
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<td>69</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Characteristics of Work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable Between Groups</td>
<td>40.048</td>
<td>5</td>
<td>8.01</td>
<td>0.955</td>
<td>0.452</td>
</tr>
<tr>
<td>Within Groups</td>
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<td>64</td>
<td>8.39</td>
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<td>Totals:</td>
<td>576.986</td>
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</tbody>
</table>
A quantitative correlational research study was conducted to assess the relationship between demographic characteristics and the perspectives of participants on business ethics. The results of the correlational study were presented in this chapter. Descriptive statistics were presented to describe the study participants as well as the scores of participants on business ethics. A total of 70 participants were gathered for this study. The results of the ANOVA determined that there was no significant difference on the perspectives of participants on business ethics based on gender and age. However, there was a significant difference in the perspectives on business ethics and the position held by participants. Thus, there was insufficient evidence to reject the first and second null hypotheses posed in this study while there was sufficient evidence to reject the third null hypothesis posed in this study.

Chapter 5: DISCUSSION

The purpose of the study was to explore the relationship of the employee’s job position, age, and gender with their perception on business ethics within an organization to construct an ethics program for them. The data gathering process utilized a quantitative correlational research design involving an invitation sent to 130 participants, asking for permission to participate in the study by answering a survey questionnaire via Survey Monkey. 70 participants agreed to take part of the study. The researcher used the ANOVA series to analyse the relationship between

<table>
<thead>
<tr>
<th>Perspectives on Business Ethics Between Groups</th>
<th>409.438</th>
<th>5</th>
<th>81.888</th>
<th>3.578</th>
<th>0.006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Groups</td>
<td>1464.633</td>
<td>64</td>
<td>22.885</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td>1874.071</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
gender, age, and position to the perspectives of the employees on business ethics. The research questions that were addressed by the findings were as follows:

1. To what degree, if any, does a relationship exist between employee perceptions of business ethics?

2. To what degree, if any, does a relationship exist between employee perception of business ethics and the job position of employees in the organization?

3. To what degree, if any, does a relationship exist between employee perception of business ethics and the gender of employees in the organization?

The data gathering and analysis was conducted to answer the three research questions developed in the beginning of the study. Each research question has two hypotheses, either of which will be the result of the data analysis. The three research questions basically revolve around whether a relationship exists between employee perception of business ethics and the age, job position, gender, respectively. Moreover, if these are proved, the degree of the relationship is also determined through the statistical data analyses.

After gathering and analysing the data, the findings results show that there is no significant relationship between the perception of employees on business ethics and their age in the organization as well as their gender. However, findings have shown that the position held by an employee posits a significant relevance to the employees’ perceptions on business ethics within an organization. Although there was no significance in the operational, organizational, and characteristics of the work variables between participants who held different positions, the individual, situational variables, and overall score on the test has concluded that there is evidence to state that job position is related to business ethics.
The findings suggest the probability that the higher the position, the higher the perception the individual has on business ethics. Additionally, the findings suggest that the means of exercising business ethics in certain situations depends on the position of the employee in the industry. Past research discussed that leaders are more expected to carry ethical values in order to impart these to their subordinates (Walumbwa et al., 2011). This entails that the higher the position, the greater the need for proper business ethics. The topic on ethical leadership has also supported the aforementioned finding, as it is stated that as compared to employees in lower positions, it is more typical for managers to experience ethical dilemmas within the workplace (Tota and Shehu, 2012). Georgescu (2012) also emphasized the managers need to place more support on ethical behaviour as a reference point for the environmental climate in the workplace in order to influence and encourage their co-workers to become more ethical. With this, managers have an important role to play in the development of the ethical culture in the organization.

The study aimed to determine whether age, position, and gender have a relationship to the business ethics of an organization. These findings results show that job position is the only independent variable that is related to the business ethics. With this, the researcher is limited to using the position variable as a basis on developing an ethics program model. In developing the proper ethical culture that the employees will follow, the ethics program must be constructed to suit the perceptions of the employees. Since age and gender has no relationship whatsoever with business ethics, the program will focus on the hierarchy of job levels present in the business. Based on the rank and tenure in the organizational structure, the relevance and level of learning on business ethics will be measured.
Howard (2011) determined that whether values are 'good' or 'bad' depend on whether or not they are based on the morality of certain decisions. The importance of business ethics in an organization is vital because it is a factor that determines the level of trust to be invested by a stakeholder (Koonmee et al., 2010). It has been long associated with developing and maintaining the trust of the company’s stakeholders (Svensson et al., 2010). Based on the analysis of the data gathered, the researcher may suggest developing an ethics program that caters to the different general positions available in the company, wherein each program will have a varying degree on the kind of business ethics to be taught. Since it is undetermined on whether business ethics is progressive or regressive with regards to job rank, previous studies have stated that managers play an important part in implementing and exercising business ethics (Kaptein, 2009; Tota and Shehu, 2012; Georgescu, 2012;). With this, the managers’ values are believed to greatly influence their subordinates, thus stating that managers must have a developed sense of ethical conduct in order for them to properly influence their co-workers.

The degree of significance of job position to business ethics is limited to only individual and situational instances, as studies have depicted that operational, organizational, and characteristics of work have little or no relevance to business topic. The next chapter will conclude the whole study and provide recommendations for implementation and future research.

Chapter 6: Conclusion and Recommendations

Ethics should not be limited to the mission statement, objectives and rules and regulations, but should be a pervasive influence in the company's culture and among its employees (Maignan et al., 2011; Mish and Scammon, 2010; Navran, 2002). To be truly ethical, companies and their executives have to make a conscious effort not to engage in immoral, unethical or otherwise shady business dealings. In order to implement this, the organization
needs to have a framework containing a set of ethical laws and principles that allow it to be so (Treviño et al., 2004; Tseng and Fan, 2011). Transparency is often the basis of business ethics - companies that want to be moral and ethical must also necessarily be upfront about their actions and business strategies - and should also seek to emphasize this when it comes to employee development (Lewis, 2002; Maignan et al., 2011). Companies and organizations have a broad responsibility in terms of taking care and committing to all of their stakeholders, from their employees to their investors (Svensson et al., 2010). With this, ethics has long been associated and defined as the principle that aims to impede unethical conduct that may harm the company’s stakeholders (Boddy, 2011). Business ethics has been discussed for the past years because of the growing issues pertaining to it in the corporate industry (Ghosh et al., 2011). The most well-known issue is that companies are so driven to gain profit to a point that corporate ethical conduct is compromised (Georgescu, 2012). Ethics in an organizational setting is important to determine the company’s core values as well as to determine its intentions in operating the business (Kaptein, 2010). The researcher concludes that the position held by employees is related to business ethics within an organization, though business ethics has no significant relationship to the age and gender of the employees.

An ethical society would be one possessing an economic system that embodies both efficiency and effectiveness, wherein each citizen has ample opportunity to attain greater economic welfare (Elango et al., 2010; Ferrell and Ferrell, 2011; Kalshoven et al., 2011). Unfortunately, given how such societies are, it is rare if not non-existent in real life. The next best thing would be to minimize the chances for abuse under such an imperfect economic system, while also maintaining its creativity, efficiency and effectiveness (Johnson, 2004). That being the case, the companies operating within such a society also need to play their roles in
keeping the abuse of power to a minimum, and must actively look out for the welfare of their stakeholders (Ferrell and Ferrell, 2011; Kalshoven et al., 2011).

The act of businesses in recent years of giving back to society can be explained by a stronger sense of responsibility on their part. This in turn can be traced in truth that they owe their sustenance to society, and on their subsequent commitment to discharge their societal duties and obligations. Needless to say, companies that renege on their social responsibility will eventually lose the support of society (Development of Business Ethics, 2010). The organization's managers, in turn, need to exercise fairness, especially where recruitment, selection and training are concerned (Boddy, 2011).

Asides from ensuring organizational growth and profitability, organizations must also make a conscious effort to safeguard the welfare of their stakeholders; as such, each party involved in such a relationship should be made aware of whatever moral obligations they may have (Lewis, 2002; Johnson, 2004). Considering how organizations owe their continued existence to the society in which they operate, it stands to reason that they have social obligations toward that society that need to be fulfilled (Mish and Scammon, 2010). And as that organization grows in power and influence, so too do those obligations become more binding on them. Companies that abuse the power and influence entrusted to them by society will inevitably lose the same (Woolard, 1989).

Although the research was able to conclude that there is indeed a relationship between job position and business ethics, the study could not depict the specific rank of employees that stated their perceptions on the importance of job position to business ethics. Room for further research to understand this is suggested in order to deepen the understanding of the relationship between business ethics and job position held. To apply business ethics, companies must actually
practice them, refraining from making excessive use of compliance officers and related regulations in the process. The researcher recommends that the proper implementation and establishment of business ethics must be done in the workplace, with the managers starting the trend. The main reason for this is due to the fact that managers are said to mostly influence the workplace for they are technically the leaders of the teams there. Based on the findings of this study, wherein only job position held has been found to have a relationship with business ethics, it is hereby recommended that an in depth form of research must be done to determine which demographic factor has the most significant relationship to business ethics in an organization.

The study was able to provide a significant amount of data on business ethics and its relationship on an employee’s age, gender, and position. With this, an ethics program can be developed based on the perceptions of the employees. The findings will be able to help current organizations understand the influence of business ethics has on their employees. Moreover, the study’s findings can help them develop a proper ethical structure than can be used in their company. The study was able to add new literature in the field of business ethics by helping them understand that an employee’s perception on business ethics may be dependent on other variables. Data gathering made use of a quantitative correlational research design and utilized a survey questionnaire as a means of retrieving data while the analysis phase was done using ANOVA. The results were discussed and conclusions and recommendations were provided for future research.
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ANNEXURE 1: QUESTIONNAIRE

I. Demographics

Gender: Male / Female
Age:
Position:

II. Individual Variables

(1- Strongly Disagree; 2 – Disagree; 3 – I don’t know; 4 – Agree; 5 – Strongly Agree)

1. Good ethics is good business. <High>
2. The performance of a firm’s profit is directly associated to its social responsibility. <Neutral>
3. Firms must abide by societal and ethical standards. <High>
4. I practice ethics in the workplace. <High>
5. To achieve success in business, it is sometimes necessary to compromise ethical norms. <Neutral>
6. Responsible corporate social behavior leads to a firm’s long term profitability. <Neutral>
7. In strategies in firms, the purpose of each decision justifies the means. <High>
8. It is necessary that there is a difference between what a firm communicates and what it actually does. <Neutral>
9. Personal values are meant to contradict business ethical norms. <Neutral>
10. Involving the input of stakeholders is important in formulating business strategies. <High>
11. It is important to consider the welfare of the customers and the community in the business’ operations. <High>
12. The impact of business strategies to its stakeholders depends on fate. <Low>
13. The results of business operations rely on how a business delivers its services. <High>

III. Organizational Culture

(1- Strongly Disagree; 2 – Disagree; 3 – I don’t know; 4 – Agree; 5 – Strongly Agree)

Operational

1. Managers order actions and mandate decisions that must be followed, even though they are in conflict with the company’s code of conducts. <High>
2. Our firm abides by a common set of ethical guidelines to follow. <High>
3. Unethical behavior is not based on the company code of conduct, but on one’s own personal judgment. <Neutral>

4. The management places more value on output than the ethical orientation of how businesses are delivered. <High>

5. The management should display proper ethical behavior in order for the employees to follow suit. <High>

6. Managers, being in the top tier of the firm, are allowed to act freely as they please. <Neutral>

7. Everyone is accountable for their actions and decisions. <High>

8. If I follow the orders of my superior, I will be free from any responsibility of the outcomes of my actions and decisions. <High>

9. Managers may be filed with incidence report if unethical actions are observed. <Low>

10. Management places emphasis on aligning business ethics with business operations and strategies. <Low>

**Organizational**

1. Equal opportunities for employment are available; there is no discrimination in terms of race. <Low>

2. Equal opportunities for employment are available; there is no discrimination in terms of gender. <Neutral>

3. Equal opportunities for employment are available; there is no discrimination in terms of disability. <Neutral>

4. There is a universal communication style that promotes diversity in the workplace. <Low>

5. Social structures are based on a holistic perspective, where no sub-cultures are formed. <Neutral>

6. Employees and management are educated about the importance of ethics in the workplace. <Low>

7. Customer service is highlighted in the firm’s ethical norms. <Neutral>

8. Handling customer information is strictly reinforced through the firm’s code of conducts. <Low>
IV. Situational Variables

(1- Strongly Disagree; 2 – Disagree; 3 – I don’t know; 4 – Agree; 5 – Strongly Agree)

1. The management does not interfere with normal business transactions. <Low>
2. The firm has set a code of ethics that everyone should comply with. <Neutral>
3. The management makes it clear what behavior the employees are supposed to display. <Low>
4. Code of conducts can be bypassed when necessary, especially if it’s for the firm’s growth. <High>
5. Ethical standards are subjective and do not apply to everyone. <Neutral>
6. Following the firm’s ethical standards is important in affecting the relationship of the company with its stakeholders. <Neutral>
7. The management has the right to incorporate personal agenda in business protocols. <High>

V. Characteristics of Work

(1- Strongly Disagree; 2 – Disagree; 3 – I don’t know; 4 – Agree; 5 – Strongly Agree)

1. Company code of ethics is just a guide, not a basis for every decision. <Neutral>
2. Policies and procedures in engaging stakeholders must be through a two-way communication. <Neutral>
3. Policies about promoting diversity and eliminating discrimination in the work place are not important because everyone is different. <High>
4. Responsibility in practices and actions depends on the order of the management. <High>
5. There should be equal opportunities for personal and skill development among employees. <Low>
6. Responsibility towards environmental behavior should not be considered if it would cost the firm. <Neutral>
7. Moral conflicts among employees are domesticated, and should not be dealt with inside the organization. <Neutral>