

# Ethics and Ethical Behavioural of an Organization and it Focuses on Organizational Improvement

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## **Abstract**

*Business ethics is the application of ethical theories and concepts to activity within and between commercial enterprises, and between commercial enterprises and their broader environment. It is a wide range of activity, and no brief list can be made of the issues it raises. The safety of working practices; the fairness of recruitment; the transparency of financial accounting; the promptness of payments to suppliers; the degree of permissible aggression between competitors: all come within the range of the subject. So do relations between businesses and consumers, local communities, national governments, and ecosystems. Many, but not all, of these issues can be understood to bear on distinct, recognized groups with their own stakes in a business: employees, shareholders, consumers, and so on. A central question concerns how businesses ought to weigh the interests of different stakeholders against each other; particularly what moral import to give to profit-making (presumably in the interest of shareholders in large corporations) (Holtzapple and Recce 2003) they defined ethics as “The general and abstract concepts of right and wrong behaviour were derived from philosophy, theology, and professional societies. “In the same way, (Martin and Sherry, 2000) in their terms say ethics means moral principles through ethical, cultural and religious irrespective of the situation or circumstance. They claim that ethics should be based on character or behaviour. Trust could be embraced when these values are maintained. Ethics is said to be “that branch of philosophy dealing with values relating to human conduct, with respect to the rightness and wrongness of certain actions and to the goodness and badness of the motives and ends of such actions”.*

**Keywords:** *Ethics, Ethical Behavioural, Organizational Improvement*

## **I. INTRODUCTION**

A company operating in the international business arena is subject to a multiplicity of ethics codes. Brooks (1989) showed that a Canadian corporation might be affected by a total of twelve codes of ethics, all of which exist within the legal environment. Thus, any code of ethics for a multinational corporation should be reflective of the critical issues embedded in the previously discussed codes developed by various international groups and should consider individual authors' research.

The “perfect” code, to be applicable to any business and in any country or culture, should consider ethical, cultural, and managerial issues. There are procedural and substantive aspects of building such a code. Procedurally, to be useful, an ethics code needs to meet certain minimal standards of construction. It should be: clear and understandable to the average person; comprehensive in indicating the extent of its provisions; and enforceable by specifying the ramifications of improper actions (Raiborn and Payne, 1990).

Additionally, codes should be positive in tone. As suggested by the Theory Y management style, treat the actors as though they naturally would do the right thing. Do not automatically assume the worst behavior and insult the actors by addressing them only with a sense of “don't do this; don't do that.” Lastly, as indicated by Ferrell and Fraedrich (1994), the code should help the MNC achieve its objectives while benefitting the countries in which production facilities are located or products/services are sold. Raiborn and Payne developed a model code of ethics that, at the time, was not specifically envisioned as being applicable for nondomestic as well as domestic operations. However, upon review of the other model codes, the guidelines are suitable for operating in the international arena. This outcome is reasonable, given that the underlying premise of the code was that it could be applied to any situation at any time to ascertain an appropriate solution. However this research design twenty questionnaires to be answer by the organization in which the research take place, in other to make a good findings, conclusions, recommendation and analysis.

## **II. LITERATURE REVIEW**

### *A. Ethics in Organization*

For every organization there is a code of ethical conduct and values. These ethics are values and principled used within an organization to manage its activities and decision within the framework of strategies that can serve in best possible interest to the organization. The framework of the code of ethics directs the effective management of the organization in regards with its programs, policies, goals and decisions concerning those goals. The ethical philosophy a particular organization follows to conduct the business has great impact on its productivity, reputation and ultimately its achievements. Employers and leaders who abide by the ethical implications within an organization formulate an ethical organizational culture. The fact that ethical code of conduct is very critical to the organization cannot be denied. This shows that why in every organization it is important to consider any ethical issue rose. The document will focus on the ethical issue in regards with the healthcare organization. Health care organization stands on a critical notch in this regards. Among all other types of organizations, healthcare organization has the most serious consequences of ethical implications. The document explores the importance of ethical considerations in healthcare organizations.

### *B. Ethical & Social Issues*

Since few last decades ethical and social issues in healthcare have arched to prominence. Because of the nature of the business in healthcare organizations the significance of counteracting with ethical issues is further highlighted. Debates by public professionals and reflection by government commissions have led to augmented research, study and improvements in this regards. Ethics in health care is not merely about the decision making processes at the bedside, but it is about the decision making processes in boardrooms and executive offices. Within the framework of business in health care organization, this ethical code of conduct provides the perspectives that can facilitate the health care managers in achieving the top most ethical standards as they perform their roles as health care providers, employers and as an organization serving entire community.

Dealing with the ethical issues within the framework of health care organization begins with complying with relevant laws and meeting the required regulatory standards. To ensure that high quality patient care is provided with the limited resources, the provider should be able to differentiate between the right and the wrong way, taking the finance into consideration while making decisions regarding the practices designed for patient care.

In every healthcare organization there are certain tools and strategies used to handle the ethical challenges. The types of ethical challenges a healthcare organization encounters ranges vastly from providing patient centered healthcare to providing best working environment for personnel including doctors, nurses and healthcare managers. Other issues such as euthanasia and handling of disabled individuals have grave impacts on the ethical dimensions.

### *C. Personal & Organizational Ethics*

Ethics has been a subject of study for thousands of years, and brilliant scholars have spent their lives exploring it. Ethics is concerned with the philosophical reflections on morality. Ethics is concerned with two basic questions. One is concerned with prescribing the content of morality. The other is concerned with giving reasons for morality. Both ethics and morality are concerned with how we position ourselves in relation to others. Ethics is linked to sustainability through the concern for others and subsequent considerations about how to organize relationships to the other. Sustainability is not the same as ethics and morality. Rather sustainability is a description of a particular ethical position amongst other positions, even if the position of sustainability is vaguely defined and disputed. This implies that organizations and professionals that claim to be ethical do not necessarily act in a sustainable way. At times, ethics may even seem as far removed from sustainability. By developing a storytelling ethics, we hope to bring ethics and sustainability closer together.

### *D. Ground Rules of Personal Ethics*

This paper discusses the ethics and ethical behavioural of an organization and it focuses on how the effective leadership could remove improve the organizational behaviour and ethical issues.

The ground rules of my personal ethics are like many others in this world. You do not lie, cheat, or steal. These are the building blocks of any ethic or value system but life does not deal with absolutes. There will always be exceptions to the rules thus values will constantly evolve. Here within this valley of ethical ambiguity lay the true makings of personal ethics (Mitchell, 2007, 853 - 886).

#### *E. Definition & Principles of Ethics*

Organizational ethics includes both corporate and business ethics, or, put another way, both the corporate values and the financial practices of the organization. They relate to all aspects of the organization including mission, vision, governance, and leadership. Within health care, organizational ethics encompasses the professional and moral codes of the organization's conduct. In the case of other organizations, it may reflect the conduct toward employees, contractors, or members.

#### *F. Personal Vs. Organization Ethics*

Most persons acquire those high ethical measures that need both organizations and persons to conform to sound lesson principles. However, special factors should be advised when applying ethics to enterprise organizations. First, to endure, enterprises must conspicuously make a profit. Second, enterprises should balance their desire for earnings against yearn of society. Maintaining this balance often needs compromises or trade-offs. Unfortunately, the ethical standards learned at home, in school, through religion, and in the community are not always adequate preparation for ethical pressures found in the workplace. Organizational practices and principles often conceive pressures, possibilities, and incentives that may sway workers to make unethical decisions (Kelly, 2009, 123-134).

### **III. METHODOLOGY**

#### *A. Population Target*

The research study was conducted on staffs, management of Ahantaman rural bank and contractors of this reputable organization. These people are in the position to give firsthand information on the ethical activities of the bank. They could also help the researcher know some of the challengers encountered in the ethical values in planning in the organization.

#### *B. Sampling Technique*

The procedure used in choosing the sample was the non-profanity sampling. By this procedure the researcher uses random sampling technique. The reason for choosing this technique is that the research dealt with all categories of staffs and on the part of the management only were involved.

#### *C. Sampling Size*

The researcher predominantly wanted to obtain responses from both management and staffs of the bank. However, due to inadequate time and resources at the disposal of the researcher. The researchers therefore sample the population by using forty staffs and ten management from the bank to help achieve the desired objectives of the study.

#### *D. Instrument Used In Data Collection*

Since the population was made up to illiterates, semi-literate and literate, the instrument used in the collection of data were structures, interview and questionnaires. The illiterate people were interviewed whilst the literate were given questionnaires. To be answered. There were seventeen items both open and closed ended items consists of "yes" or "no" responses and fill in the space whilst open ended were to enable the respondent to express their own opinions. His responses of the items for the management sought for information such as what problems are encountered with ethics and values of the bank, ethical challengers, the importance of planning, their positions and what is unique about Ahantaman Rural Bank. With the staffs, the questionnaires wanted to seek information on their age, occupation, where they reside, and what kind's ethical values they operate.

#### *E. Analysis of Collection*

The target population consists of the both the literate and illiterate groups. The literate groups were supplied with questionnaire to complete within five days while the interview of the illiterate groups looks about four days. The face to face interactions took about ten to twenty minutes with interviewees. The responses were then analysis and written down. In all thirty two questionnaires were disturbed to staffs and customers and forty people interviewed. The questionnaires for staffs and customer s were disturbed in all the eight branches. Also, the forty people interviewed are selected in the eight branches of the bank. Indeed it was through the assistance of the various branches managers and their co- operation that both the questionnaires were easily distributed and interviews successfully completed.

#### *F. Adorning*

The responses to the questions were critically studied and grouped into their constituent parts. Findings were analysed. Percentage distribution tables were used to analyse the data.

#### **IV. CONCLUSIONS**

##### *A. Summary*

The main objective of this work is to acknowledge the importance of Ethical Values in the banking industry. Ethical values are deciding on what to do before doing it. These are the need to plan strategically in any organization and even in the banking Industry where there are task responsibilities. To tackle the problem, scientific methods such as questionnaires and interviews were used to help the researchers gather the necessary information concerning the problem and the questions in the questionnaires were carefully selected in order to bring out good response from both the Staffs and Management.

Ahantaman Rural Bank renders basically three main functions just as the commercial bank. There are mobilizing deposits, lending part of the deposits and transferring money from place to place. The bank performs additional unique services to its customers such as offering loans schemes to farmers, fishermen and traders, treasury services for its customers and offering doorstep banking.

##### *B. Findings*

From the analysis above, it was identified that Ahantaman Rural Bank has problems in Ethical Values and its implantation. Management have lackadaisical attitude toward planning and this has seriously affected the bank in its service provision and operations.

Management seems to be myopic and this has led the banks persistent use of the outmoded system of banking rules and regulations.

It was also found out that staffs are not involved in decision making and most of the time problems of staffs are not communicated to management for prompt action.

It was also found out that staffs are not satisfied with their service supervisions because there is no ethical values that can back their attitude and contributions to work. They complain of the numbers of hours they have to wait to talk and the time it takes to implement their ideas.

##### *B. Recommendations*

From the analytical discussion into the information gathered the following recommendations are made.

- The only way to achieve large planning and market share in today's marketing era is to acknowledge the importance of ethical values and its implementation control. Banks have to think strategically by establishing ethical department.
- Management should resource the department with competent personal to ensure its implementations and control.

##### *C. Conclusions*

The concept of ethics to business decisions encompasses all aspects of operations in a business organisation. There is always the question of what the ultimate structure of an organisation would be, this is vital as it would help aid the smooth running of its products, services and operation's.

There is always a tendency for ethical issues to arise in a global market and multinational organisations are no exceptions. On the contrary, the positive ethical practices of an organisation are highly important which would normally boost the image of such an organisation as they tend to have an edge over others in a very competitive market.

Organisations that have made a cautious effort to be truly ethical must evaluate and measure the rules and regulations governing the country's in which businesses are carried out. These organisations must be aware and must conform to the host country's domestic laws. Not neglecting trade organisations such as United Nations as well as international agreement between companies

Ethics is said to be “that branch of philosophy dealing with values relating to human conduct, with respect to the rightness and wrongness of certain actions and to the goodness and badness of the motives and ends of such actions, therefore it is good for every organization in the banking industry to have ethical values and department.

Lot of organizations implement the code of ethics in their company polices, which they implement during induction and regular training. A Code of Ethics is generally a more blanket statement of values and beliefs that defines the organization.

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