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MASTERS OF BUSINESS ADMINISTRATION

AN ASSESSMENT OF BUSINESS ETHICS AND CSR PRACTICE IN COMMERCIAL BANK OF ETHIOPIA.

BY

ABDUREZAK MEKA

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ADDIS ABABA ETHIOPIA

**AN ASSESSMENT BUSINESS ETHICS AND CSR PRACTICE IN
COMMERCIAL BANK OF ETHIOPIA**

BY

ABDUREZAK MEKA

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ADVISOR

JENBERUH AMEN (PHD)

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ABDUREZAK MEKA

SGS /0054/2014B

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Jembru Haile (PhD)



Advisor

Signature

Taye Amogne (PhD)

External Examiner

Signature

Tewodrose Mekonnen (PhD)

Internal Examiner

Signature

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Participant: Abdurezak Meka **Signature:** **Date:**

Endorsement

This Thesis has been submitted for examination with my approval as University supervisor.

Advisor: Dr. Jenberuh Amen **Signature:**  **Date:**

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Acronyms

CBE	Commercial Bank Of Ethiopia
CSR	Corporate Social Responsibility
ISO	International organization for standardization
OCSSC	Oromia Credit and Saving Share Company
SD	Standard Deviation
SPSS	Statistical Package for Social Science

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ABSTRACT

In today's interconnected world, business ethics and corporate social responsibility (CSR) have taken on a significant role in shaping the way companies operate. This thesis aims to assess the current business ethics and CSR practices in CBE, the challenges and the effects that come with adopting them and the extent to which various ethical business efforts have been consistent and successful, while also identifying areas for improvement. To gain a deep understanding of the topic at hand, this research applied deontological and stakeholder theory and employed a descriptive research design that allowed exploring various aspects in detail. The data collection process involved reaching out to every individual in the target population of 46, ensuring that their voices were heard through a census method. To capture the richness of the participants' insights, the research utilizes a combination of qualitative and quantitative research approaches. Results have shown room for improvement in providing explicit steps for addressing conflicts of interest and employee engagement. Additionally, CBE lacks consistency in communicating its ethical value and CSR initiatives to stockholders and involving them in decision-making processes. Based on the analyzed data, it is recommended to involve employees in ethical decision making and CSR initiatives, ensuring sufficient funds, personnel, and technology available to effectively implement and monitor ethical guidelines and sustainability programs, and regularly reviewing and updating policies is crucial for CBE to keep them relevant and effective, and involve and communicate stakeholders on the CSR initiatives.

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

As the global business becomes increasingly interconnected, businesses are facing growing pressure to operate in a responsible and sustainable manner. The rise of social media and other digital platforms has made it easier than before for consumers to voice their concerns about unethical or harmful business practices. In response, many companies have embraced the principles of corporate social responsibility (CSR), recognizing that their long-term success depends on their ability to create value not just for shareholders, but for all stakeholders, including employees, customers, and the wider community (Carroll, 1999).

In a time where businesses are being closely examined for their ethical behavior and commitment to social responsibility, organizations face the challenge of aligning their practices with societal expectations (Margolis and Walsh, 2003). As a researcher exploring the field of business ethics and social responsibility within the context of CBE, it is important to recognize that the most crucial elements for our wellbeing go beyond just business matters, thus prioritizing it becomes essential in creating a sustainable and responsible corporate culture. This includes focusing on factors such as providing emotional support, maintaining a healthy work-life balance, and managing stress effectively. These considerations are vital for people of all ages, ensuring a positive and healthy environment within the organization.

"Money makes the world go round" is a popular saying, but the pursuit of profits can come at a cost. Business ethics and corporate social responsibility (CSR) have become increasingly important in today's global economy; According to (Carroll, 1999) business ethics and corporate social responsibility (CSR) have a long and complex history, dating back to the early 20th century. The concept of business ethics emerged in response to concerns about the exploitation of workers and the environment by corporations, and the need for businesses to act in a socially responsible manner. Over time, the definition and scope of business ethics and CSR have evolved, reflecting changing social, economic, and political contexts. Today, business ethics and CSR are widely recognized as essential components of sustainable development, with businesses being held accountable not just for their financial performance, but also for their impact on society and the environment (Carroll, 1999).

Hence, business ethics and corporate social responsibility (CSR) are two important concepts in the business world; business ethics refers to the set of moral principles and values that guide behavior in the business world, while CSR is the idea that companies have a responsibility to operate in a way that benefits society and the environment.

In recent years, the importance of business ethics and corporate social responsibility (CSR) has grown in the banking industry (Banker, Chang, and Pizzini, 2016). According to (Goyal A., 2017), banks are anticipated to be crucial in fostering sustainable growth and tackling social and environmental issues and in order to do that it is important for businesses to have a set of moral values and principles that guide the behavior of their businesses and individual employees, which embrace ethical and just decision-making, even if it may not be the most profitable decision for the business.

A recent study by (Anzani and Abdirova, 2021) conducted on Kenyan banks found that CSR initiatives have a positive impact on the financial performance of banks. The authors found that CSR initiatives, such as community development programs, environmental sustainability initiatives, and employee welfare programs, were positively related to the financial performance of the banks.

Banks play a major role in the economy and society by providing access to financial, credit, loan and various related services. One of the biggest well known banks in our nation, Commercial Bank of Ethiopia provides such services and serves millions of clients throughout the country and the bank also has officially announced its commitment to CSR and corporate ethics in 2021.

This thesis assesses the business ethics and CSR practices of the Commercial Bank of Ethiopia (CBE). Specifically, it investigates the extent to which CBE complies with ethical and CSR practice standards, key drivers and barriers to implementing effective business ethics and CSR and the impact of its CSR initiatives on the bank's stakeholders and financial performance.

Additionally, the research provides insights into the challenges and opportunities that banks face when implementing CSR strategies; as the banking industry is highly regulated, and banks must comply with a wide range of legal and regulatory requirements. Therefore, it is essential to identify the challenges and limitations of implementing CSR strategies in the

banking industry to develop effective and sustainable CSR initiatives that align with business goals.

1.2. Background of CBE

The Commercial Bank of Ethiopia (CBE) has a long history, dating back to its establishment by the Ethiopian government in 1942 as a state-owned entity aimed at providing banking services to the public and supporting the country's economic development.

Over the years, the CBE has played a crucial role in Ethiopia's economic growth and development by expanding its operations to provide a wide range of financial services to individuals, businesses, and government institutions across the country (Jemal, 2015). The bank also offers digital banking services such as mobile and internet banking, providing a technology based financial service had require CBE to adhere to ethical business practices and corporate social responsibility (CSR); and in building trust with customers and maintain a positive reputation, CBE had also prioritized transparency, privacy protection, and accessibility for all customers.

The Ethics and Corporate Value Department of the Commercial Bank of Ethiopia, formerly known as the Ethics and Corporate Value Unit, was founded in November 2010. The department performs various activities related to the building of ethics and moral values, and the prevention of corruption and improprieties.

The main objective of the Ethics and Corporate Value Department is to create employees who do not condone corruption by building ethics and moral values, providing training workshops, and proactively preventing corruption and impropriety practices. While doing so, the department also exposes corruption and impropriety, investigates the cases, and takes appropriate actions against the perpetrators (Bayissa O., 2019).

Additionally, the department manages complaints received through whistleblowing regarding corruption, impropriety, and misconduct. Besides, The Commercial Bank of Ethiopia (CBE) has integrated several ethical principles, to direct ethical conduct and standards for both personal and business practices. These principles are inclusive of all employees and stakeholders of the bank. Employees of the Commercial Bank of Ethiopia are expected to honor the Bank's Code of Conduct, value all employees, handle and safeguard information, protect the Bank's assets, communicate externally in a responsible manner, record and report

financial affairs responsibly, comply with laws and regulations, be aware of and manage risks, disclose and register their assets and income, refrain from engaging in outside banking activities, and report any violations.

1.3. Statement of the Problem

Business ethics and CSR are critical to the long-term success and sustainability of companies and these factors, if given priority, are more likely to achieve long-term success, while also making a positive contribution to the wellbeing of society and the environment. In business, sustainability refers to efforts aimed at reducing the detrimental effects of a company's operations on the environment and society, while also ensuring its long-term profitability and viability which involves implementing eco-friendly practices, reducing waste and emissions, and supporting the well-being of nearby communities, for that reason long-term success in business involves a focus on strategic planning, innovation, and growth;

However, over the years according to (Ferrell et al., 2019), several high-profile scandals and ethical breaches have highlighted the need for greater attention to business ethics. Many financial institutions have increasingly recognized the importance of ethics and corporate social responsibility (CSR) in their operations. As public institutions, CBE is also accountable to its stakeholders, including government, central bank, and the public or wider community. As such, it has an obligation to act ethically, transparently, and in the best interests of society.

In recent years, many private and government banks in our country have taken steps to integrate ethical and CSR considerations into their operations, while CBE have made efforts to implement ethical and socially responsible business practices, However, training and education programs from CBE to its stockholders specially to the customers on how they should be engaged in ethical business and how they should protect their business from unethical practice have neither been adopted by CBE or communicated to the stockholders (Befekadu B., 2020). And it is important to assess the extent to which ethical and CSR efforts have been consistent and successful in the past three years and identify areas for improvement.

Despite growing awareness of the importance of ethical and socially responsible business practices, many organizations face significant challenges in implementing effective ethical

and CSR strategies. A meta-analysis by (Brown et al., 2020) examined 50 studies on CSR implementation and identified common barriers, including limited resources, lack of leadership support, and inadequate employee training. As the research main aim is to assess the business ethics and CSR practice at CBE assessing the challenges is important for better and effective implementation of these practices.

Besides that as CSR and ethical business practices evolve through time, in the past, businesses primarily focused on maximizing profits without giving much consideration to their impact on society or the environment (Asrar-ul-Haq, M., 2020). However, societal expectations and awareness regarding environmental sustainability, social justice, and ethical behavior have increased significantly in recent decades. This shift has prompted organizations to adopt more responsible and sustainable business practices. And how these changes have affected CBE and its stakeholders, it needs to be thoroughly studied, because these practices impact various aspects of its operations, including financial performance, reputation, stakeholder engagement, and employee satisfaction.

With the growing importance of sustainable and socially responsible banking practices, it is crucial to examine the current state of CBE's efforts in this regard and identify areas for improvement. By evaluating CBE's engagement in socially responsible banking practices, such as addressing social issues, promoting positive social impact, and prioritizing diversity and inclusion, this research aims to understand the strengths and potential areas of enhancement within CBE's sustainable banking framework.

1.4. Research Questions

The following research questions are the main issue that this study aimed to investigate.

1. What are the current business ethics and CSR practices of CBE?
2. What challenges are observed in implementing business ethics and CSR practices in CBE?
3. What outcomes were observed by incorporating corporate social responsibility (CSR) practices in CBE?
4. What CSR practices are most effective in promoting sustainable and socially responsible banking?

1.5. Objectives; General and Specific Objectives

1.5.1. General Objectives

The primary objective of this study is to assess the current practices of business ethics and CSR in Commercial Bank of Ethiopia. Specifically, the study aims to:

1.5.2. Specific Objectives

1. To assess the current business ethics and corporate social responsibility (CSR) practices of CBE.
2. To assess the challenges that come with adopting business ethics and CSR practices in CBE.
3. To assess the outcomes of incorporating CSR practices in CBE.
4. To identify the CSR practices that are most effective in promoting sustainable and socially responsible banking.

1.6. Significance of the Study

The findings of this study provide valuable insights into the current state of business ethics and CSR practices in Commercial Bank of Ethiopia. The results may serve as a basis for further research on business ethics and CSR in the Ethiopian banking sector. Ultimately, this study aims to contribute to the ongoing efforts to promote sustainable development and responsible banking practices in Ethiopia and beyond.

1.7. Scope Of The Study

The scope of this study is to assess and analyze the business ethics and corporate social responsibility (CSR) practices of CBE, with a specific focus on the ethics & corporate value and marketing departments over the past 3 years, as over these years CBE have made changes and improvement in the corporate, functional strategy and action plan with the help of McKinsey & Company an American management consulting firm. (Fasika T., 2021). The study examines how these departments contribute to the overall ethical framework and CSR initiatives of the organization.

1.8. Limitation of the study

The research is conducted within a specific time period, focusing on the last three years, which may not capture long-term trends or historical context. Moreover, the study primarily focuses on CBE's practices within Addis Ababa, potentially limiting its generalizability to other regions or countries. Finally, while efforts had been made to capture multiple perspectives, this study had not encompassed all viewpoints, potentially limiting a comprehensive understanding of CBE's business ethics and CSR practices.

By addressing these limitations and conducting a thorough assessment, this study aims to provide valuable insights into the business ethics and CSR practices at CBE, contributing to the existing knowledge base on responsible banking practices and promoting transparency and accountability within the industry.

1.9. Organization of the Paper

The study consists of five main chapters. Chapter one provides an introduction that covers the background of the study, statement of the problem, objectives of the study (both general and specific), significance of the study, scope of the study, and limitations of the study. Chapter two reviews related literature on business ethics and CSR. Chapter three outlines the methodology of the study, including data sources, data gathering methods, sampling and sampling procedures, and data analysis techniques. Chapter four presents and discusses the results of the study based on the data collected from the questionnaire. Chapter five focuses on the major study's findings, conclusions and recommendations, which are based on the findings. The paper also includes references and appendices.

1.10. Definition of Key Terms

Business ethics - refers to the principles and standards that guide ethical behavior within an organization. It involves promoting fairness, honesty, transparency, and accountability.

Corporate Social Responsibility (CSR) - encompasses voluntary initiatives undertaken by companies to integrate social and environmental concerns into their operations. It includes activities such as environmental stewardship, community engagement, and ethical sourcing.

Stakeholders - are individuals, groups, or entities that have a vested interest in or are affected by the operations and performance of the bank. They can include employees, customers, shareholders, suppliers, regulators, local communities, and other relevant parties.

Ethical leadership - refers to the demonstration of ethical values, integrity, and responsible decision-making by leaders within the bank. It involves setting a positive ethical tone, fostering a culture of ethical behavior, and promoting ethical conduct throughout the organization.

Sustainability - in the context of the bank's practices refers to the integration of environmental, social, and governance (ESG) considerations into its operations. It involves addressing environmental challenges, and promoting social well-being.

Ethical codes of conduct - are formal guidelines or principles that outline the expected ethical behavior and standards for employees and stakeholders within the bank. These codes provide a framework for ethical decision-making and guide individuals in their actions and interactions.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter provides an overview of relevant academic sources on business ethics and CSR in the banking industry. It examines theoretical frameworks, previous research, and key concepts in order to establish a foundation for the study and highlights gaps, trends, and unresolved issues to justify the need for the current research.

Definition And Meaning of Business Ethics

Business ethics refers to the set of moral principles and values that direct the behavior of individuals and organizations in the business world. It encompasses several aspects, including honesty, accountability, responsibility, and fairness. The concept of business ethics has been in existence for centuries, but it has become increasingly crucial in modern organizations. This is because the actions of businesses can have a significant impact on employees, customers, shareholders, and society as a whole (Crane and Matten, 2019).

The importance of business ethics is evident in the benefits it offers to organizations. One of the key benefits is that it helps organizations build trust and credibility with their stakeholders. When businesses conduct themselves ethically, they demonstrate to their customers, employees, and shareholders that they can be trusted to do the right thing, even when no one is watching. This enhances the organization's reputation and increases its chances of long-term success (Crane and Matten, 2019).

Ethical behavior can also help organizations attract and retain top talent. Employees prefer to work for companies that share their values and are committed to doing the right thing. This can lead to higher levels of engagement, job satisfaction, and productivity, which ultimately benefits the organization as a whole (Fernando, 2009).

Business ethics also helps organizations avoid legal or regulatory action. When companies behave unethically, they are at risk of legal or regulatory action, which can be costly and damaging to the organization's reputation. By behaving ethically, organizations can avoid these risks and maintain their position in the industry (Crane and Matten, 2019).

Furthermore, ethical behavior can help organizations build positive relationships with their stakeholders. Transparent, honest, and accountable organizations are more likely to build strong relationships with their customers, suppliers, and shareholders, leading to increased loyalty and support that can drive the success of the organization (Crane and Matten, 2019).

Lastly, ethical behavior is essential because it is the right thing to do. Businesses have a responsibility to act in the best interests of their stakeholders and society as a whole. By acting ethically, organizations can contribute to the well-being of their communities, protect the environment, and create a better world for future generations (Fernando, 2009).

Importance Of Business Ethics

Business ethics are important for a variety of reasons for businesses; they help to build trust, avoid risks, attract talent, guide decisions, create stakeholder value and ultimately contribute to a company's long-term success and sustainability. A company that operates with integrity and transparency can establish a positive reputation and attract customers, investors, and employees who share their values. This can lead to increased loyalty and support, benefiting both the company and its stakeholders (Crane and Matten, 2019).

Understanding and adopting of business ethics in a business is also an essential weapon to mitigate risk and prevent legal and reputational damage. According to (Fraedrich and Ferrell, 2019) Organizations that prioritize ethical behavior are less likely to engage in unethical practices, such as fraud, corruption, or environmental violations, meaning they can prevent legal and reputational damage, which can be costly and detrimental to a company's long-term success.

Besides, employees are also more likely to be engaged and motivated in their work when they feel that their company operates with integrity and treats them fairly. This can lead to increased productivity which is the amount of work that employees can accomplish in a given amount of time, job satisfaction which refers to the level of happiness and contentment that employees feel in their jobs, and employee retention which refers to the ability of a company to retain its employees over time (Trevino and Nelson, 2016).

According to (Waddock, 2018), Increased loyalty and support from customers and employees, as well as a positive impact on society can also be obtained from adopting ethical business practice; which also can contribute to social responsibility and the well-being of

society as a whole. Companies that prioritize social responsibility by supporting local communities, promoting diversity and inclusion, and reducing their environmental impact, can address social issues and contribute to a better world.

Corporate Social Responsibility

Corporate social responsibility (CSR) is a concept in management which was developed in the mid 20th century; it refers to a company's obligation to conduct its business in a way that helps and benefits the society and the environment (Carroll, 1979). CSR is considering how a company's decisions and deeds affect many stakeholders, including consumers, employees, communities, and the environment, and attempting to benefit society and make a profit at the same time and now a days companies that place a high priority on CSR are perceived as being more socially conscious and are therefore more likely to draw in and keep clients, workers, and investors with similar ideals (Sen and Bhattacharya, 2001).

The framework of CSR emphasizes three main areas: environmental, social, and economic responsibility; Environmental responsibility is the requirement for a business to support sustainable practices and lessen its negative effects on the environment. To achieve this, waste and pollution must be reduced, natural resources must be safeguarded, and greenhouse gas emissions must be reduced.

A company's obligation to conduct business in a way that helps society and fosters social well-being is referred to as having a social responsibility. This involves fostering diversity and inclusion, aiding neighborhood communities, and giving workers a safe and healthy work environment.

The term "economic responsibility" describes a business' obligation to make a profit and satisfy its shareholders. This includes preserving the stability of the financial system, generating employment, and boosting the economy through taxes and other measures.

CSR Practices In Firms

Corporate social responsibility (CSR) practices are actions taken by companies to ensure their business operations are ethical and socially responsible. These practices can include reducing carbon emissions, improving working conditions, supporting local communities, and engaging in philanthropic activities. The aim of CSR practices is to ensure companies operate

sustainably and benefit society as a whole, not just focus on short-term profits. Many firms have adopted CSR policies and initiatives to demonstrate their commitment to sustainability and social responsibility. CSR practices can create positive outcomes for stakeholders, contribute to a more just world, and also lead to long-term business success.

Initiatives for corporate social responsibility (CSR) are steps made by businesses to advance moral, social, and environmental responsibilities. The International Organization for Standardization (ISO, 2010) defines CSR as an organization's accountability for the effects of its choices and actions on the environment and society through ethical and transparent behavior that promotes sustainable development, including welfare of society, stakeholder expectations, and compliance with applicable laws and international standards of conduct.

Banks Characteristics and CSR Disclosure

Corporate social responsibility (CSR) has become an important aspect of business operations in recent years, with stakeholders demanding more transparency and accountability regarding a company's social and environmental impacts. Several firm characteristics, including profitability, age, bank size, and board size, have been studied to determine their impact on a company's level of CSR disclosure, (Tshiololi M., 2020).

According to a study by (Hung and Wong, 2011) in the (Tshiololi M. 2020) research literature review, profitable companies are more likely to report on their CSR activities as they have the means and resources to do so. The study found that firms with higher profitability scores were associated with greater CSR disclosure. However, it should also be noted that profitable companies may disclose more CSR information to mitigate political costs and justify high profits.

The size of a bank can also impact its level of CSR reporting. A study by (Toms and Wright, 2018) again in the (Tshiololi M., 2020) research found that larger banks tend to have higher levels of CSR disclosure compared to smaller banks. The study suggested that larger banks may have more resources and expertise to develop and implement CSR initiatives, and may face greater pressure from stakeholders to report on their social and environmental impacts.

In contrast, older companies tend to disclose more CSR activities as a means of strengthening their reputation and legitimizing their operations within the communities where they operate, (Tshiololi M., 2020) in his research cited (Orlitzky et al., 2003) whose study found that age

was positively associated with CSR disclosure, indicating an increase in the level of CSR disclosure as a company ages.

Companies with larger boards tend to have increased information-processing capabilities, resulting in more effective decision-making and better incorporation of social activities in their reporting, was another study by (Esa and Mohd Ghazali, 2012) that was articulated by (Tshiololi M., 2020). The study found that board size was positively associated with CSR disclosure, indicating an increase in the level of CSR disclosure as the number of board members increased. However, it is also important to note that the relationship between firm characteristics and CSR disclosure may vary depending on the industry and the specific context of the company.

The Relevance of the Constitution of Ethiopia to Business Ethics

The Constitution of Ethiopia's provisions on fundamental rights and freedoms, including labor rights, are closely related to business ethics. Business ethics is the study of ethical principles and moral values that guide the behavior of businesses and individuals in the business context. One of the key principles of business ethics is respect for human rights, including labor rights.

The Constitution of Ethiopia's provisions on labor rights, such as the right to form trade unions and negotiate with employers, the prohibition against forced labor and hazardous child labor, and the right to reasonable working hours and conditions, are all important ethical considerations for businesses operating in Ethiopia.

Respecting labor rights is not only a legal requirement but also an ethical responsibility for businesses. Businesses that prioritize labor rights and create safe and healthy working conditions, provide fair wages and benefits, and respect workers' right to organize and bargain collectively, are more likely to earn the trust and support of their stakeholders, including employees, customers, and investors.

Moreover, ethical business practices can also lead to increased productivity, enhanced reputation, and long-term sustainability as prioritizing ethical labor practices and ensuring compliance with the Constitution's provisions on labor rights, not just as a legal obligation,

but as an ethical imperative. In contrast, businesses that violate labor rights may face legal and reputational risks, as well as harm to their brand and profitability.

The Role of Ethiopian Civil Associations in Promoting Business Ethics and CSR Practice

In Ethiopia, civil associations have been actively involved in promoting ethical business practices and CSR initiatives. Civil associations are non-profit, non-governmental organizations that operate independently from the government and are formed to promote the interests of a particular group or cause.

One of the ways in which civil associations in Ethiopia promote business ethics is through advocacy and awareness-raising activities. Civil associations organize seminars, workshops, and campaigns to educate businesses, consumers, and the public about the benefits of ethical business practices and the negative consequences of unethical behavior. For example, civil associations may promote fair labor practices, environmental sustainability, and anti-corruption measures to businesses and the public.

2.1. Theoretical Framework

Business ethics and corporate social responsibility (CSR) are essential concepts for any organization that seeks to maintain its reputation and operate in the best interest of all stakeholders. In this literature review, the theories and concepts of business ethics and CSR in the context of a CBE had been examined from four main theoretical perspectives: utilitarianism theory, stakeholder theory, corporate citizenship theory, and ethical leadership theory. This review also identifies gaps in the literature and suggests areas for future research.

2.2.1. Deontological Theory

The term "deontology" originates from the Greek words "deon," meaning duty or obligation, and "logos," meaning science or study. The word was first introduced by the philosopher Jeremy Bentham in the late 18th century as a way to distinguish ethical theories based on duties or obligations from those based on consequences. Bentham used the term to contrast deontological ethics with his own consequentialist ethical theory, utilitarianism. Since then, "deontology" has become a widely used term in the field of ethics to refer to ethical theories

that prioritize the inherent nature of actions and the principles or rules that govern them, rather than focusing solely on the outcomes or consequences of those actions. (Bentham, J., 1789).

The theory of deontology, also known as deontological ethics, states that the morality of an action is determined by its adherence to certain moral duties, principles, or rules, rather than solely focusing on the consequences or outcomes of the action. It emphasizes the inherent nature of actions and the principles that govern them (Johnson, 2013). Deontological ethics proposes that individuals have moral obligations or duties that they are bound to follow, which are often considered universal and apply to all individuals in similar situations. The theory asserts that certain actions are intrinsically right or wrong based on their conformity or violation of these moral duties.

One of the most well-known deontological theories is Kantian ethics, developed by Immanuel Kant. Kant's theory is based on rational principles and the concept of the categorical imperative. According to Kant, individuals should act based on principles that they would want to become universal laws. The categorical imperative demands treating others as ends in themselves, rather than as mere means to an end. Kantian ethics emphasizes the importance of universalizability and recognizing the intrinsic value of individuals. (Kant, 1785).

Another deontological theory is the theory of prima facie duties proposed by W.D. Ross. He argues that there are several fundamental moral duties, such as fidelity, non-maleficence, gratitude, justice, and beneficence. These duties are considered prima facie, meaning that they are binding unless they conflict with a stronger duty in a particular situation. Ross emphasizes the need for weighing and balancing these duties to determine the morally right course of action (Ross, 1930).

Assessing the business ethics and corporate social responsibility (CSR) practices of a CBE can be aided by the application of deontological theories. Deontological theories, such as Kantian ethics and Ross's theory of prima facie duties, provide a structured framework for evaluation. These theories emphasize the universality of moral duties, the importance of ethical principles and rules, the evaluation of actions over consequences, and the consideration of conflicting obligations and stakeholders. By utilizing deontological theories, this research assesses whether the bank upholds universal moral duties, adheres to ethical

principles, prioritizes ethical behavior over immediate outcomes, balances conflicting obligations, and considers the well-being of stakeholders. This approach enables a comprehensive evaluation of the bank's ethical and social responsibility performance, promoting accountability, transparency, and sustainable practices.

Kantian Ethics

Kantian ethics, developed by Immanuel Kant, is a deontological ethical theory that focuses on the intrinsic nature of actions and the adherence to universal moral duties. According to Kant, moral actions are guided by categorical imperatives, which are absolute and universally applicable principles (Kant, 1785).

One of the key principles in Kantian ethics is the principle of universalizability. This principle states that individuals should act in a way that their actions can be universally applied without contradiction. In other words, an action is morally right if it can be rationally willed as a universal law that everyone should follow (Kant, 1785).

Another fundamental principle in Kantian ethics is the principle of respect for persons. Kant argues that individuals should be treated as ends in themselves, not merely as means to an end. This principle emphasizes the inherent dignity and autonomy of individuals (Kant, 1785). It implies that individuals should not be manipulated or exploited for personal gain and that their rights and well-being should be respected.

Kantian ethics places a strong emphasis on moral duty and intention. According to Kant, the moral worth of an action lies in the intention behind it, rather than the consequences that may result. This means that even if an action leads to unfavorable outcomes, it can still be considered morally right if it was motivated by a sense of moral duty (Kant, 1785).

In the context of business ethics, Kantian ethics provides a framework for evaluating the moral implications of business practices. It emphasizes the importance of honesty, fairness, and respect in dealing with customers, employees, and stakeholders. It also highlights the need for transparency and accountability in financial transactions and reporting. Moreover, Kantian ethics encourages businesses to consider the long-term consequences of their actions and to prioritize ethical behavior over short-term gains.

Ross's Theory Of Prima Facie Duties

Ross's theory of prima facie duties, developed by W.D. Ross, is a deontological ethical theory that recognizes the existence of multiple conflicting moral duties. According to Ross, individuals have several prima facie duties, which are moral obligations that are binding unless overridden by a stronger duty in a particular situation (Ross, 1930).

The concept of prima facie duties implies that individuals have a range of ethical obligations that they should consider when making moral decisions. These duties include fidelity, reparation, gratitude, justice, beneficence, self-improvement, and non-maleficence. Each of these duties represents a fundamental moral principle that individuals should strive to follow (Ross, 1930).

However, when faced with a moral dilemma where these duties conflict, Ross suggests that individuals must carefully evaluate the situation and determine which duty takes precedence. The determination of the strongest duty depends on the specific circumstances and the ethical principles involved. For instance, the duty of justice may conflict with the duty of beneficence when allocating limited resources, necessitating a thoughtful evaluation of the situation to determine the morally right course of action (Ross, 1930).

Ross's theory acknowledges the complexities of moral decision-making and the need to balance conflicting obligations. It recognizes that ethical choices often involve trade-offs and require a careful analysis of the particular context. This approach allows for a more nuanced evaluation of moral responsibilities and promotes a more flexible and pragmatic understanding of ethical duties.

In the realm of business ethics and corporate social responsibility, Ross's theory of prima facie duties offers a valuable framework for assessing the moral responsibilities that businesses owe to their stakeholders. This perspective urges businesses to take into account various ethical principles, including fairness, justice, and beneficence, when making choices that have an impact on their employees, customers, communities, and the environment. It underscores the significance of carefully considering conflicting duties and aiming for a well-balanced approach that considers the holistic welfare of stakeholders.

2.1.2. Stakeholder Theory

Stakeholder theory is a widely used theoretical perspective that emphasizes the importance of considering the interests of all stakeholders in business decision-making (Freeman, 1984). In the context of a bank, stakeholders may include customers, shareholders, employees, regulators, the wider community, and the environment. The theory suggests that businesses that prioritize the interests of all stakeholders are more likely to succeed in the long run (Donaldson and Preston, 1995). Therefore, a bank that prioritizes the interests of its customers by offering fair and transparent financial products is more likely to attract and retain customers.

According to Wesley Cragg, a business ethics expert, the stakeholder theory is a better way of thinking about business ethics than the shareholder theory (Cragg, 2002). The stakeholder theory recognizes that companies need to consider the needs and interests of many different groups, such as employees, customers, suppliers, and the wider community, not just shareholders. Companies operate in complex social, political, and economic systems, so it's important that they take a broader view of their responsibilities.

The stakeholder theory emphasizes the importance of listening to stakeholders, making decisions that take their interests into account, and considering the social and environmental impacts of business activities. By adopting this approach, companies can improve their social and environmental performance while also generating value for shareholders (Cragg, 2002).

Stakeholder theory is a prominent framework within the field of business ethics and corporate social responsibility. It emphasizes that businesses have a responsibility to consider and address the interests and concerns of various stakeholders who are affected by their actions and decisions.

In stakeholder theory, stakeholders are individuals or groups that have a vested interest or are impacted by a company's operations, products, or policies. This includes employees, customers, suppliers, shareholders, local communities, and even the natural environment. The theory suggests that businesses should not only focus on maximizing profits for shareholders but also take into account the broader societal implications of their actions.

Under stakeholder theory, businesses are encouraged to engage in ethical and socially responsible practices that consider the well-being and rights of all stakeholders. This means

taking into account employees' fair treatment, ensuring customer satisfaction, maintaining positive relationships with suppliers, and being mindful of the environmental impact of their operations.

By adopting stakeholder theory, businesses can go beyond a narrow profit-centered approach and embrace a more holistic perspective. They can strive to create long-term value not only for shareholders but also for all stakeholders involved. This may involve making decisions that prioritize sustainability, social justice, and ethical conduct.

The Role of Deontological Theory and Stakeholder Theory in Banking

Ethics and responsible practices are critical considerations in the banking industry, which operates in a complex and interconnected environment. Two prominent ethical frameworks that guide decision-making and responsible behavior in banking are deontological theory and stakeholder theory. Deontological theory emphasizes adherence to moral duties and obligations, while stakeholder theory emphasizes the consideration of the interests and concerns of various stakeholders.

Deontological Theory Role in Banking

Deontological theory, also known as duty-based ethics, provides a framework for ethical decision-making based on inherent moral duties and principles (Bentham, J., 1789). In the context of banking, deontological theory plays a crucial role in guiding responsible behavior. Three key areas illustrate the application of deontological principles in banking.

Firstly, customer privacy and confidentiality are fundamental duties for banks. Deontological theory emphasizes the importance of protecting customer information and ensuring confidentiality, even if it means sacrificing short-term benefits or preventing potential harm. Banks have a moral obligation to safeguard customer data and maintain the trust placed in them by their clients.

Secondly, honesty and transparency are paramount in banking operations. Deontological theory emphasizes the duty of banks to provide accurate information about financial products, fees, and risks to customers. Banks should prioritize these principles and avoid withholding information or misleading customers for personal gain, even if it may seem advantageous in the short term.

Thirdly, compliance with regulations and laws is a crucial duty for banks. Deontological theory highlights the importance of operating within the boundaries of the law and fulfilling obligations to regulators, customers, and other stakeholders. Banks have a moral duty to adhere to legal and regulatory requirements to maintain the integrity of the financial system and protect the interests of stakeholders.

Stakeholder Theory Role in Banking

Stakeholder theory provides a comprehensive framework for considering the interests and concerns of various stakeholders affected by banking operations. It emphasizes that banks have a responsibility beyond shareholders and should take into account the broader societal implications of their actions (Freeman, 1984). Several key areas demonstrate the application of stakeholder theory in banking.

Firstly, customer focus is a central aspect of stakeholder theory in banking. Banks are urged to prioritize the interests and well-being of their customers. This includes providing fair and transparent financial products, ensuring excellent customer service, and addressing customer concerns effectively. By considering customer interests, banks can build trust, enhance customer satisfaction, and maintain long-term relationships.

Secondly, stakeholder theory encourages banks to balance shareholder value with the interests of other stakeholders and the long-term sustainability of the banking industry. While recognizing shareholder interests, banks are urged to adopt a broader perspective, considering the impact of their actions on employees, customers, communities, and the environment. This approach promotes sustainable value creation and mitigates the potential negative consequences of a narrow profit-centered focus.

Thirdly, community engagement and social impact are integral to stakeholder theory in banking. Banks are expected to engage with and contribute positively to the communities in which they operate. This may involve supporting local development initiatives, promoting financial literacy, and investing in socially responsible projects that benefit the community and the environment. By considering the broader societal impact, banks can contribute to the well-being of communities while enhancing their own reputation and long-term sustainability.

2.2. Empirical Review

Several empirical studies have focused on business ethics and CSR practice, a study written by (Silge B., 2015) on Work Place Ethics in Oromia Credit and Saving Share Company (OCSSC) is one of them; the study used descriptive research design and causal study to investigate the current work ethics practice in the company and employed both quantitative and qualitative research approaches to gain the necessary data and conclusions. Besides, the data was collected and analyzed with the help of a probabilistic sampling method from 230 officials, employees and customers.

The primary research issue were absenteeism, bribery, illegal commission, forgery, abuse of business assets, production of counterfeit papers, misuse and the study's findings showed Oromia Credit and Saving Share Company had shortcoming in formulating ethical code, not adopting a system for collecting suggestion from the customer, not providing incentive for employees and not taking measures on unethical actions. Hence the study recommends the company to install its ethical code of conduct by collaborating with its stakeholders and to implement reforms.

Another study that was carried out by (Tihetina T., 2022) and (Bekele G., 2010) on the analysis of professional ethics practices in the Ethiopian construction industry showed a good insight on the importance of implementing business ethics principles for businesses in their activities.

The aim of the study that was carried out by Tihetina T. was to investigate the ethical practices followed by professionals in Ethiopia's construction sector, pinpoint the most unethical behaviors prevalent in the industry, and scrutinize the underlying reasons for such conduct. Additionally, the study aimed to propose practical solutions to eliminate these negative effects by evaluating the current situation in the Ethiopian Roads Administration. In order to accomplish this objective, the researcher conducted a comprehensive review of existing literature on ethical practices in the construction industry, conducted a thorough survey using a questionnaire, and employed an exploratory research design along with factor analysis.

The primary outcomes of the research indicated that various factors were responsible for unethical behavior in the construction industry, according to the researcher these factors

included economic instability, delayed payment of salaries to workers, project location in border areas, lack of professional discipline, personal conduct, excessive greed for money, absence of stringent contractual regulations, and the overlap between personal and professional ethical standards; accordingly the research found that unethical behavior had a negative impact on the cost and quality of projects.

The researcher proposed some suggestions to address the issue of unethical behavior in the construction industry. One of the recommendations was to implement a code of ethics that is strictly adhered to by all employees and to establish a program to ensure that professionals possess the required qualities, responsibilities, characteristics, and ethical behavior at all times.

Apart from this, (Bekele G., 2010) study aim was to see the practices of business ethics at MOHA Soft Drinks Industry and in the study the researcher explained and explored four business ethical issues; product safety, employee health and safety, social responsibility (social concern) and environmental protection. In order to reach the research objective, various data were collected using different methods; such as questionnaire; interview and document review. After that all the necessary data were presented using tables and charts, and analyzed using percentage.

When it comes to corporate social responsibility a study conducted by (Mahlet A., 2016) identify and examine the Addis Mojo company's CSR practice, her study used a descriptive types of research design and to better achieve the research objective the researcher collected primary data that by questionnaire survey, interview from the subjects and in the research Addis Modjo edible oil company customers, employees of the logistics department and logistics and supply chain manager were considered as participants; additional secondary data were collected from the company's documentation.

This research motive was lack of researches in the edible oil companies CSR practice and the study aimed to bridge the gap in knowledge in how edible oil companies and other domestic food firms link their CSR activities with their business, Furthermore it aimed to contribute to the betterment of CSR practice Addis Modjo edible oil company.

Findings indicate that Addis Modjo edible oil company customers did not have enough awareness of the company's CSR activity. Even though the company performs various CSR

initiatives, there were some shortcomings in supporting the local community's regular activities and projects through donation and sponsorship schemes.

Ultimately, the empirical studies had a major contribution in helping the subject firms and readers to make more informed and ethical decisions, leading to positive social and environmental outcomes. The researches on CSR and business ethics practice were also very important for a studied firm because it helps them to enhance their reputation, mitigate risks, meet stakeholder expectations, ensure legal compliance, and promote sustainability and soon. And for the researchers, studying CSR and business ethics can help to advance their knowledge and understanding of ethical behavior in the business world, identify best practices, and promote the development of effective interventions and policies.

CHAPTER THREE

RESEARCH METHODS

This chapter outlines the methodology used to conduct the study on business ethics and CSR practices at CBE. It describes the research design, data collection methods, sampling techniques, and data analysis procedures.

3.1. Research Design

This study employed a descriptive research design; which is a type of research design that aims to describe and summarize the characteristics, behaviors, or phenomena of interest within a given population or sample. A descriptive research design is appropriate for assessing business ethics and CSR practices in a bank as it provides an accurate and detailed portrayal of the existing practices, captures diverse perspectives, identifies patterns and trends. As a research approach a quantitative and qualitative approach was utilized to gain a comprehensive understanding of the Business Ethics and CSR practice in CBE.

3.2. Source and Type of Data

The study utilized primary data sources to fulfill its objectives. A structured interview and questionnaire was employed as the research instrument, allowing for the collection of both quantitative and qualitative data. Ethical considerations were also taken into account during the study

3.3. Population, Sampling Technique and Sampling Size

The population for this study consists of all employees from CBE business ethics (12) and corporate value and all employees from the marketing department (34), as they have experience and exposure with the CBE business ethics and CSR programs.

Given the relatively small size of the population, which totals 46 individuals, the census technique was employed for data collection. The census technique involves gathering information from every member of the population rather than relying on a sample. This approach was chosen due to the manageable size of the population and the feasibility of collecting data from all individuals.

According to (Bryman A., 2016), using the census technique is particularly suitable when studying small populations that are easy to manage. By adopting this method, the researchers can ensure that they have data from every employee in the relevant departments, allowing for a comprehensive analysis of the entire population.

The use of the census technique eliminates the need for sampling and potential sampling bias. It provides an opportunity to gain insights into the entire population's characteristics, experiences, and attitudes towards the CBE business ethics and CSR programs. This comprehensive approach enhances the study's accuracy and generalizability of findings to the specific population of interest.

3.4. Methods of Data Collection

To achieve the research objectives of this study, a quantitative and qualitative research design was employed. The study population consists of employees from the CBE Business Ethics and Corporate Value and marketing department. Participants were selected based on their involvement in CSR activities or their ability to provide relevant insights and perspectives on the bank's CSR practices.

Data was collected through structured interviews and questionnaires. The semi-structured interviews were conducted with the selected participants to gather their perspectives on the bank's CSR practices. The interview was conducted face-to-face interaction with participants' preference. The interview was conducted in amharic language and later translated and transcribed for analysis.

In addition, prior to data collection, participants were provided with an informed consent form that outlines the purpose of the study, the voluntary nature of participation, and the confidentiality of their responses. Participants were informed that they can withdraw from the study at any time without any consequences and their participation was all voluntary.

3.5. Procedure of Data Collection

The data collection procedure for this study involved selecting participants based on their involvement in CSR activities or their ability to provide relevant insights and perspectives on the CBE business ethics and CSR practices. The procedure involved conducting interviews, ensuring data quality and confidentiality, and analyzing the data using various analysis

techniques to identify key themes and patterns to answer the research questions and illustrate the findings.

3.6. Data Analysis Techniques

In this study, data analysis involves analysis of both quantitative and qualitative data, a descriptive analysis was employed to analyze the data. (Sekaran and Bougie, 2016) suggest that descriptive statistics are useful for describing a continuous occurrence. Therefore, the researchers utilized the Statistical Packages for Social Sciences Version 29.0 (SPSS) software. The findings of the studies are presented as percentages and means, and the following table displays the interpretation of the means.

Table 1: Interpretation of mean range value

Mean score	Level
1.00 to 2.33	Low
2.34 to 3.67	Moderate
3.68 to 5.00	High

Source: Wiersma, W. (2000)

3.7. Ethical Considerations

Ethical considerations were applied throughout the study. Informed consent forms were provided to participants, outlining the purpose of the study, voluntary participation, and the confidentiality of their responses. Participants were given the option to withdraw from the study at any time. Data quality and confidentiality were ensured during the data collection process. Respondent validation was conducted to share the findings with participants and ensure the accuracy of data interpretation.

CHAPTER FOUR

ANALYSIS AND FINDING

This chapter presents the analysis and findings of the assessment conducted on the business ethics and Corporate Social Responsibility (CSR) practices at CBE. The study aims to comprehensively evaluate the bank's commitment to ethical conduct and its initiatives towards social responsibility. By examining the data collected through various research methods, including interviews, and questionnaire analysis, insights into the bank's current practices and areas for improvement in the realm of business ethics and CSR had been attained.

4.1 Quantitative Data Analysis Results

This section presents the results of the quantitative data analysis conducted as part of the assessment of business ethics and Corporate Social Responsibility (CSR) practices at CBE. The analysis focused on examining numerical data obtained through questionnaires.

4.1.1 Descriptive Statistics

In this section, the descriptive statistics derived from the quantitative data collected through questionnaires are presented. These statistics include measures such as mean, standard deviation, and frequency distributions.

Table 2. Results of data that are related to personal information of the respondents.

Age

	FREQUENCY	PERCENT
18-30	8	17.4
30-45	32	69.6
45-60	6	13.0
TOTAL	46	100.0

The majority of individuals in the dataset fall within the age group of 30-45, accounting for 69.6% of the total dataset. The age group 18-30 is the next most represented, making up

17.4% of the dataset. The remaining 13.0% of the dataset consists of individuals in the age group 45-60.

Gender

	FREQUENCY	PERCENT
MALE	32	69.6
FEMALE	14	30.4
TOTAL	46	100.0

The largest portion of individuals in the dataset identify as Male, accounting for 69.6% of the total dataset. The Female category represents 30.4% of the dataset.

Table 3. Quantitative Analysis of Questionnaire Responses

Question naire	Mean	SD	Measure	SD	D	N	A	SA	Total
1	3.8696	0.93354	Frequency		4	11	18	13	46
			Percent		8.7	23.9	39.1	28.3	100%
2	3.8478	1.1149	Frequency	3	1	11	16	15	46
			Percent	6.5	2.2	23.9	34.8	32.6	100%
3	3.8261	0.60752	Frequency			13	28	5	46
			Percent			28.3	60.8	10.9	100%
4	2.8696	0.74859	Frequency	1	11	29	3	2	46
			Percent	2.2	23.9	63.1	6.5	4.3	100%
5	3.6087	0.82941	Frequency		4	16	20	6	46
			Percent		8.7	34.8	43.5	13	100%
6	2.8696	0.97999	Frequency	3	16	11	16		46
			Percent	6.5	34.8	23.9	34.8		100%
7	3.087	0.62632	Frequency		7	28	11		46
			Percent		15.2	60.9	23.9		100%
8	2.5217	0.86253	Frequency	2	25	14	3	2	46
			Percent	4.3	54.3	30.6	6.5	4.3	100%
9	3.3478	0.84896	Frequency		10	11	24	1	46
			Percent		21.7	23.9	52.2	2.2	100%
10	2.7826	0.75757	Frequency		18	21	6	1	46
			Percent		39.1	45.7	13	2.2	100%
11	3.4348	0.80697	Frequency		7	14	23	2	46
			Percent		15.2	30.4	50.1	4.3	100%
12	3.8913	1.07968	Frequency	2	2	11	15	16	46
			Percent	4.3	4.3	23.9	32.7	34.8	100%
13	2.7174	0.86057	Frequency		24	12	9	1	46
			Percent		52.2	26	19.6	2.2	100%

Interpretation of questionnaires on the research question “*What are the current business ethics practices of CBE, and how do they align with industry standards and best practices?*”

1. CBE demonstrates a strong commitment to ethical business practice and CSR.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's demonstration of a strong commitment to ethical business practice. The mean score of 3.8696 suggests that, on average, the respondents rated CBE relatively high in terms of its commitment to ethical business practices.

The standard deviation of 0.93354 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's commitment to ethical business practices.

Based on these statistics, it can be interpreted that the majority of the respondents had a positive perception of CBE's demonstration of a strong commitment to ethical business practice. The high mean score suggests a general agreement among the respondents on the perception of CBE's commitment to ethical practices.

2. CBE effectively communicates ethical guidelines and standards to employees.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's effectiveness in communicating ethical guidelines and standards to employees. The mean score of 3.8478 suggests that, on average, the respondents rated CBE relatively high in terms of its effectiveness in communicating ethical guidelines and standards to employees.

The standard deviation of 1.11490 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's communication efforts.

Based on these statistics, it can be interpreted that the majority of the respondents had a positive perception of CBE's effectiveness in communicating ethical guidelines and standards

to employees. The high mean score suggests a general agreement among the respondents on the perception of effective communication in this area.

3. CBE has a clear and comprehensive ethical code of conduct.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's Ethical Code of Conduct. The mean score of 3.8261 suggests that, on average, the respondents rated CBE relatively high in terms of having a clear and comprehensive Ethical Code of Conduct.

The standard deviation of 0.60752 reflects a relatively low level of variability in the responses, indicating a certain level of agreement among the respondents regarding the clarity and comprehensiveness of CBE's Ethical Code of Conduct.

Based on these statistics, it can be interpreted that the majority of the respondents had a positive perception of CBE's Ethical Code of Conduct, viewing it as clear and comprehensive. The high mean score and low standard deviation suggest a general consensus among the respondents on the effectiveness of the Ethical Code of Conduct.

4. CBE provides training or guidance on the code of conduct.

The statistics provided indicate that 46 individuals responded to a question regarding whether CBE provides training or guidance on CBE's Ethical Code of Conduct. The mean score of 2.8696 suggests that, on average, the respondents rated CBE relatively moderate in terms of providing training or guidance on the Ethical Code of Conduct.

The standard deviation of 0.74859 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's provision of training or guidance.

Based on these statistics, it can be interpreted that the majority of the respondents had a less favorable perception of CBE's provision of training or guidance on the Ethical Code of Conduct. The low mean score and moderate standard deviation suggest a general agreement among the respondents on the perception of inadequate training or guidance in this area.

5. CBE made a positive impact on society and the environment by implementing CSR practice.

The statistics provided indicate that 46 individuals responded to a question regarding the impact of CBE's implementation of CSR practices on making a positive impact on society and the environment. The mean score of 3.6087 suggests that, on average, the respondents perceived that CBE has made a relatively positive impact on society and the environment through its CSR practices.

The standard deviation of 0.82941 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding the extent of CBE's positive impact on society and the environment.

Based on these statistics, it can be interpreted that the majority of the respondents had a moderately favorable perception of the impact of CBE's CSR practices on making a positive contribution to society and the environment. The mean score above the midpoint suggests that respondents generally believe that CBE's CSR initiatives have resulted in positive outcomes in these areas.

In summary, CBE falls short in providing training and guidance on the code of conduct, equipping employees with the knowledge and skills necessary for CBE to navigate ethical dilemmas. In line with its commitment to social responsibility, CBE strives to make a positive impact on society and the environment. By actively engaging in initiatives that benefit the community and adopting sustainable practices, CBE exemplifies responsible corporate citizenship. Ethical theories emphasize the significance of equipping employees with the knowledge and skills necessary to navigate ethical dilemmas, which the company needs to address to ensure ethical decision-making across all levels. The company's commitment to social responsibility aligns with ethical theories that emphasize the positive impact businesses should have on society and the environment. Additionally, CBE can draw upon

ethical theories to develop comprehensive programs that educate employees on the code of conduct and equip them with the necessary skills to make ethical choices.

Interpretation of questionnaires on the research question “*What challenges are observed by implementing ethical business practices in CBE?*”

6. The training and education resources provided by CBE were effective in promoting ethical behavior.

The statistics provided indicate that 46 individuals responded to a question regarding the effectiveness of the training and education resources provided by CBE in promoting ethical behavior. The mean score of 2.8696 suggests that, on average, the respondents rated the training and education resources moderate in terms of their effectiveness in promoting ethical behavior.

The standard deviation of 0.97999 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding the effectiveness of CBE's training and education resources.

Based on these statistics, it can be interpreted that the majority of the respondents had a moderately favorable perception of the training and education resources provided by CBE in promoting ethical behavior. The moderate mean score and moderate standard deviation suggest a general agreement among the respondents on the perception of tolerable effectiveness in this area.

7. CBE is effective in fostering employee (stakeholder) engagement for ethical operation.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's effectiveness in fostering employee (stakeholder) engagement for ethical operation. The mean score of 3.0870 suggests that, on average, the respondents rated CBE moderately in terms of its effectiveness in fostering employee engagement for ethical operation.

The standard deviation of 0.62632 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's effectiveness in this area.

Based on these statistics, it can be interpreted that the respondents had a moderate favorable perception of CBE's effectiveness in fostering employee engagement for ethical operation. The moderate mean score suggests that the respondents' opinions were not strongly positive or negative, with a moderate level of agreement overall.

8. CBE makes available and allocate financial, human and technological resources to support the implementation of ethical practice.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's allocation of financial, human, and technological resources to support the implementation of ethical practice. The mean score of 2.5217 suggests that, on average, the respondents rated CBE relatively moderate in terms of making available and allocating resources for ethical practice.

The standard deviation of 0.86253 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's resource allocation.

Based on these statistics, it can be interpreted that the majority of the respondents had a moderately favorable perception of CBE's efforts in making available and allocating financial, human, and technological resources to support the implementation of ethical practice. The moderate mean score and moderate standard deviation suggest a general agreement among the respondents on the perception of tolerable resource allocation in this area.

In summary, the company's moderate performance in areas such as providing training and educational resources, fostering employee engagement, resource allocation, CSR practices for risk mitigation, and competitive advantage aligns with various ethical business theories. Ethical theories emphasize the importance of employee development, engagement, and fair allocation of resources, which the company has recognized to some extent. However, further

improvements are necessary to fully embrace ethical principles and maximize the company's ethical business practices.

Interpretation of questionnaires on the research question “What effects were observed by incorporating corporate social responsibility (CSR) practices in CBE?”

9. Incorporating CSR practices had made CBE mitigate potential risks and avoid reputational damage.

The statistics provided indicate that 46 individuals responded to a question regarding the impact of incorporating CSR practices on mitigating potential risks and avoiding reputational damage in CBE. The mean score of 3.3478 suggests that, on average, the respondents rated the effectiveness of incorporating CSR practices in mitigating risks and avoiding reputational damage as relatively moderate.

The standard deviation of 0.84898 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding the impact of CSR practices on risk mitigation and reputation management.

Based on these statistics, it can be interpreted that the majority of the respondents had a moderately favorable perception of the effectiveness of CSR practices in mitigating potential risks and avoiding reputational damage in CBE. The mean score above the midpoint suggests that respondents generally believe that incorporating CSR practices has a positive impact on risk mitigation and reputation management.

10. Embracing CSR practices had provided CBE with a competitive advantage in the market.

The statistics provided indicate that 46 individuals responded to a question regarding the impact of embracing CSR practices on providing CBE with a competitive advantage in the market. The mean score of 2.7826 suggests that, on average, the respondents rated the extent to which CSR practices provide CBE with a competitive advantage as relatively moderate.

The standard deviation of 0.75757 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding the impact of CSR practices on CBE's competitive advantage.

Based on these statistics, it can be interpreted that the majority of the respondents had a moderately favorable perception of the impact of embracing CSR practices on providing CBE with a competitive advantage in the market. The mean score above the midpoint suggests that respondents generally believe that CSR practices contribute to CBE's competitive positioning.

In summary, based on the respondents' feedback, it appears that CBE has made progress in implementing CSR practices, but there is an opportunity for the bank to enhance the effectiveness of these practices both in terms of risk mitigation and competitive advantage. By focusing on strengthening and expanding its CSR initiatives, CBE can further align its operations with ethical standards, enhance its reputation, and potentially gain a more significant competitive advantage in the industry.

Ethical business theories emphasize the integration of ethical principles and practices into organizational strategies, decision-making processes, and stakeholder engagement. They highlight the importance of CSR practices in managing risks, safeguarding reputation, and creating a competitive advantage, ultimately contributing to sustainable business success.

By further embracing ethical business theories, CBE can enhance its commitment to responsible business conduct, align its practices with societal expectations, and contribute to long-term sustainable development.

Interpretation of questionnaires on the research question “What specific CSR practices were most effective in promoting sustainable and socially responsible banking practices?”

11. CBE collaborates and partners with other firms to promote sustainable and socially responsible banking practices.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's collaboration and partnerships with other firms to promote sustainable and socially

responsible banking practices. The mean score of 3.4348 suggests that, on average, the respondents rated CBE moderately in terms of its efforts to collaborate and partner with other firms in promoting sustainable and socially responsible banking practices.

The standard deviation of 0.80697 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's collaboration and partnerships in this area.

Based on these statistics, it can be interpreted that the majority of the respondents had a moderately positive perception of CBE's collaboration and partnerships with other firms to promote sustainable and socially responsible banking practices. The moderate mean score suggests a general agreement among the respondents on the effectiveness of these efforts.

12. CBE provides clear and comprehensive information about its ethical policies and practices.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's provision of clear and comprehensive information about its ethical policies and practices. The mean score of 3.8913 suggests that, on average, the respondents rated CBE relatively high in terms of providing clear and comprehensive information about its ethical policies and practices.

The standard deviation of 1.07968 reflects a moderate to high level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's transparency in this area.

Based on these statistics, it can be interpreted that the majority of the respondents had a relatively positive perception of CBE's provision of clear and comprehensive information about its ethical policies and practices. The higher mean score suggests a general agreement among the respondents on the effectiveness of CBE in providing transparent information.

13. CBE actively involves its stakeholders in decision making processes and seeks their input on sustainability and social responsibility issues.

The statistics provided indicate that 46 individuals responded to a question regarding CBE's active involvement of stakeholders in decision-making processes and seeking their input on sustainability and social responsibility issues. The mean score of 2.7174 suggests that, on average, the respondents rated CBE moderate in terms of actively involving stakeholders and seeking their input in these areas.

The standard deviation of 0.86057 reflects a moderate level of variability in the responses, indicating some variation in the perceptions of the respondents regarding CBE's stakeholder involvement.

Based on these statistics, it can be interpreted that the majority of the respondents had a less favorable perception of CBE's active involvement of stakeholders in decision-making processes and seeking their input on sustainability and social responsibility issues. The moderate mean score and moderate standard deviation suggest a general consensus among the respondents on the perception of tolerable stakeholder involvement.

In summary, the feedback implies that CBE has made progress in certain areas of business ethics and CSR practices, such as transparency and providing information. However, there is room for improvement in terms of collaboration, stakeholder involvement, and seeking input. By strengthening these aspects, the bank can further enhance its ethical performance and engage stakeholders more effectively in shaping its CSR initiatives and decision-making processes.

Ethical theories emphasize collaboration, transparency, and stakeholder involvement and CBE can align more closely with ethical theories and enhance its business ethics and CSR practices.

4.2. Qualitative Data Analysis And Findings

This chapter aims to provide a comprehensive understanding of the research questions, seeking to shed light on the subjective and experiential aspects of the research topic, contributing to a more holistic understanding of the phenomena under investigation and paving the way for further exploration and knowledge generation.

The qualitative data collection process for this study involved conducting structured interviews with the management team of the Commercial Bank of Ethiopia (CBE) Marketing department. These interviews were designed to gather valuable insights and perspectives directly from key stakeholders responsible for various strategies and initiatives within the organization.

The participants in the qualitative data collection process comprised the CBE Marketing Department senior marketing executives. These individuals possess extensive knowledge and experience in the field of marketing within the banking industry, making them valuable sources of information for the study.

The structured interview approach was chosen to ensure consistency in data collection and facilitate a systematic exploration of the research questions. This approach involved a predetermined set of questions and prompts that were posed to each participant, allowing for a standardized data collection process.

4.2.1 Narrative Analysis

A narrative analysis was employed as the analysis approach for the data gathered from interviews on this study, aiming to uncover the participants' perspectives and experiences related to the research topic.

Question 1. What key business ethics practices CBE have and what values CBE follows?

"The Commercial Bank of Ethiopia (CBE) holds several core values that guide its operations. Integrity is a top priority, ensuring honesty, ethics, and transparency in all dealings. CBE is committed to delivering service excellence, exceeding customer expectations and meeting their financial needs. Professionalism is deeply ingrained,

promoting competence, expertise, and continuous learning. Empowerment is valued, both for employees and customers, providing tools and inclusive financial services. CBE embraces innovation, fostering a culture of creativity and adaptability. Teamwork is encouraged, leveraging diverse skills and perspectives for collective success. Respect for diversity is upheld, treating everyone with fairness and dignity. Lastly, corporate citizenship is a priority, actively supporting social responsibility and environmental sustainability. These core values shape CBE's identity as a trusted and responsible financial institution in Ethiopia.”

According to interviewee's response the key business ethics practices of CBE are bonded to its core values, including integrity, service excellence, professionalism, empowerment, innovation, teamwork, respect for diversity, and corporate citizenship. These values guide CBE's actions, emphasizing honesty, customer satisfaction, expertise, inclusivity, adaptability, collaboration, fairness, and social responsibility.

Question 2. How would you describe CBE ethical code of conduct regarding conflicts of interest, anti-bribery, and corruption?

"The CBE ethical code of conduct includes guidelines aimed at helping employees recognize and report potential conflicts of interest that may arise in their professional roles. It emphasizes the requirement to disclose them to the appropriate authorities or designated individuals within the organization. These procedures are intended to promote accountability and prevent situations where personal interests may compromise professional judgment or decision-making.

However, while the code acknowledges the importance of avoiding conflicts of interest, there is room for improvement in providing even clearer steps or mechanisms for employees to disclose and manage potential conflicts. Some stakeholders have expressed concerns about the code's clarity in this regard, which could introduce ambiguity and potentially lead to ethical breaches."

The interviewee's response sheds light on the policies and procedures outlined in the CBE ethical code of conduct concerning conflicts of interest, anti-bribery, and corruption. According to the interviewee, the code provides guidelines for employees to identify and report potential conflicts of interest that may arise in their professional roles. It emphasizes the importance of accountability and integrity by outlining the steps employees should take when faced with

conflicts, including disclosing them to the appropriate authorities within the organization. These measures aim to prevent personal interests from compromising professional judgment and decision-making.

However, the interviewee also acknowledges a potential weakness in the code. While it recognizes the significance of avoiding conflicts of interest, it falls short in providing explicit steps or mechanisms for employees to disclose and manage such conflicts. This lack of clarity within the code introduces ambiguity, which could potentially lead to ethical breaches.

Question 3. How would you describe the importance of ethical behavior and CSR initiatives within CBE?

“Ethical behavior and CSR initiatives are crucial in the Commercial Bank of Ethiopia. They build trust, enhance reputation and align with our values and strategic objectives. By prioritizing ethics and embracing CSR, we create a positive impact on society while driving business success.”

During the interview, the representative highlighted the significance of ethical behavior and Corporate Social Responsibility (CSR) initiatives within the Commercial Bank of Ethiopia (CBE). According to their response, ethical conduct and CSR are deeply valued at CBE as they contribute to building trust, enhancing reputation, and aligning with the bank’s core values and strategic objectives.

Question 4. Implementing business ethics and CSR initiatives can present various challenges. In your experience what are some of the key challenges CBE faces when it comes to successfully implementing and integrating business ethics and CSR practices?

“One challenge that the Commercial Bank of Ethiopia (CBE) faces is ensuring consistent adherence to ethical standards throughout the organization. This can be challenging due to the size and complexity of the bank, with numerous departments and employees operating in different locations.”

“Measuring the impact and effectiveness of CSR initiatives was a challenge. Gathering relevant data, defining appropriate metrics, and assessing the tangible and intangible outcomes of CSR programs are complex tasks. For

instance, quantifying the social and environmental benefits resulting from a specific CSR project was challenging, but it is essential for evaluating its success and informing future decision-making.”

This interview response reveals that CBE faces specific challenges in maintaining consistent adherence to ethical standards and measuring the impact of CSR initiatives. The bank's vast size and complex organizational structure make it difficult to ensure uniform ethical behavior across all departments and locations. Furthermore, assessing the effectiveness of CSR initiatives presents challenges in terms of data collection, defining relevant metrics, and evaluating both tangible and intangible outcomes.

Question 5. Does CBE have a system in place to track, monitor and report on its CSR performance? If yes, how do you describe the transparency of the organization reporting practice?

“Yes, the Commercial Bank of Ethiopia (CBE) has implemented a comprehensive system to track, monitor, and report on its CSR performance. The system for tracking CSR performance involves regular data collection from various sources, including project specific reports, surveys, and stakeholder feedback. This data is then analyzed and evaluated to assess the social, environmental, and economic impact of the bank's CSR initiatives. Additionally, we define key performance indicators (KPIs) and set measurable targets to effectively monitor progress and identify areas for improvement.

Besides, on a periodic basis we also prepare comprehensive CSR performance reports that give a clear picture of what CBE is doing for CSR, what we have achieved, and how it connects with our overall plan.”

The interviewee confirmed that CBE has a comprehensive system to track, monitor, and report on its CSR performance. This involves data collection, analysis, and setting measurable targets. Periodic reports are prepared to showcase CBE's CSR activities, achievements, and alignment with the overall plan. The system ensures transparency and continuous improvement in CSR efforts.

Question 6. How would you describe the frequency with which CBE reviews and updates its ethical policies and practices to foster continuous improvement?

“We do acknowledge the importance of continuous improvement, there is room for enhancement in the frequency of reviewing and updating its ethical policies and practices.”

“A more proactive approach that involves more regular assessments and adjustments is believed to allow CBE to better address emerging challenges and ensure its practices remain aligned with evolving societal expectations and industry standards.”

The interviewee acknowledged the significance of continuous improvement in ethical policies and practices at the CBE. However, they indicated that there is room for enhancement in the frequency of reviewing and updating these policies and practices.

Question 7. How do you describe CBE's approach to CSR?

“In terms of CSR, CBE takes a holistic approach, considering the social, environmental, and economic impacts of its activities. The bank actively engages in initiatives that contribute to community development, education, environmental sustainability, and social welfare.”

“We actively seek to collaborate with other organizations, including Nehemiah Autism Centre, Respect for the elders center, Red cross, Ethiopian heritage trust, Eye Bank of Ethiopia, and Lions Clubs International to address societal challenges and achieve shared goals. This approach ensures that CBE's ethical and CSR initiatives are inclusive, relevant, and sustainable.”

CBE's holistic approach to CSR indicates a commitment to responsible and sustainable practices. By considering the social, environmental, and economic dimensions, CBE aims to create a positive impact that goes beyond its immediate financial objectives. The collaboration with various organizations further highlights CBE's intention to leverage partnerships and collective efforts to address societal challenges effectively.

Question 8. Can you provide examples of specific initiatives that demonstrate CBE's commitment to ethical business practice and CSR?

“As evident through several initiatives, CBE actively supports the financing and development of the Great Ethiopian Renaissance Dam, promoting sustainable energy and agricultural irrigation. The bank provides financial assistance to farmers and agricultural businesses, encouraging growth and productivity through access to credit and support for sustainable farming practices. “

“CBE facilitates import and export activities, enabling businesses to engage in international trade and fostering economic development. These initiatives demonstrate CBE's commitment to responsible banking, contributing to economic growth, food security, and sustainable practices in Ethiopia.”

The interviewee provided specific examples of initiatives that demonstrate CBE's commitment to ethical business practices and CSR. The support for the Great Ethiopian Renaissance Dam aligns with CBE's commitment to sustainable energy and environmental initiatives. The financial assistance provided to farmers and agricultural businesses reflects CBE's dedication to supporting sustainable farming practices and promoting the agricultural sector's growth. Additionally, the facilitation of import and export activities demonstrates CBE's contribution to economic development and its role in fostering international trade.

Question 9. How does CBE ensure that ethical guidelines and standards are communicated and understood by employees at all levels?

“CBE effectively communicates ethical guidelines and standards to employees through a comprehensive Ethical Code of Conduct. An internal portal provides easy access to policies and training materials, fostering understanding. Regular training programs and awareness initiatives promote a strong ethical culture. Open communication channels, including confidential reporting mechanisms, encourage employees to seek guidance or report concerns.”

Based on the provided interview, it appears that CBE effectively communicates ethical guidelines and standards to employees through a comprehensive Ethical Code of Conduct. They provide easy access to policies and training materials through an internal portal,

fostering understanding. Regular training programs and awareness initiatives promote a strong ethical culture. Open communication channels, including confidential reporting mechanisms, encourage employees to seek guidance or report concerns.

Question 10. How do you perceive the relationship between business ethics, CSR and financial performance?

“Well, there is no clear-cut set of ROI metrics exclusively dedicated to measuring the impact of business ethics and CSR programs or initiatives. Although quantifying their impact may pose challenges, Ethical practices and CSR initiatives have the potential to strengthen a CBE's reputation, attract socially conscious customers, and foster long-term financial success.”

The interviewee's response indicates their perception of a positive relationship between business ethics, CSR, and financial performance. They acknowledge the absence of a specific set of ROI metrics dedicated to measuring the impact of business ethics and CSR programs, suggesting that quantifying their impact presents challenges.

However, the interviewee highlights several potential benefits of ethical practices and CSR initiatives. Firstly, they mention that these efforts have the potential to strengthen the reputation of CBE. This implies that when a company upholds ethical standards and engages in responsible practices, it can enhance its standing in the eyes of stakeholders, including customers, investors, and the public.

Beside, the response suggests that ethical practices and CSR initiatives can attract socially conscious customers. This implies that consumers who prioritize ethical considerations may be more inclined to choose CBE as their preferred bank. This aligns with the growing trend of consumers seeking out businesses that align with their values and support social and environmental causes.

Lastly, the interviewee suggests that ethical practices and CSR initiatives can contribute to long-term financial success. Although not explicitly stated, this implies that by embracing business ethics and engaging in CSR, CBE may experience positive financial outcomes over time. This could be due to factors such as improved customer loyalty, enhanced brand reputation, and reduced risks associated with unethical practices.

Overall, the interviewee's response indicates a belief in the potential positive impact of business ethics and CSR on financial performance. While the direct quantification of this impact may pose challenges, the perceived benefits of reputation enhancement, customer attraction, and long-term financial success imply a positive relationship.

Question 11. How can environmental sustainability, social justice, and ethical behavior have a financial impact on CBE?

“Embracing environmental sustainability, social justice, and ethical behavior have a profound impact on a CBE's competitive advantage and market position. As a bank it can differentiate us from our competitors and attract and retain customers who place importance on responsible banking practices. This created a loyal customer base and opened doors to potential partnerships and collaborations with organizations that share similar values.”

The response indicates that embracing environmental sustainability, social justice, and ethical behavior can have a significant financial impact on CBE. It can differentiate the bank from competitors, attract and retain customers who prioritize responsible banking practices, and lead to partnerships and collaborations with like-minded organizations. This can enhance CBE's competitive advantage, customer loyalty, and business opportunities, ultimately influencing its financial success.

Question 12. What specific sustainability initiative or program that CBE has implemented? How was it aligned with the bank's overall CSR strategy, and what were the key goals and outcomes of these initiatives?

“One of the specific sustainability initiatives implemented by CBE is a comprehensive tree planting campaign aimed at addressing climate change and promoting environmental sustainability. The campaign aligns seamlessly with CBE's overarching corporate social responsibility (CSR) strategy. At the core of our CSR approach is a commitment to environmental stewardship and sustainable practices. By engaging in reforestation efforts, we actively contribute to preserving biodiversity, combating deforestation, and mitigating the impacts of climate change.

In addition to our environmental initiatives, CBE places a strong emphasis on promoting positive social outcomes. We actively support projects and initiatives in areas such as education, healthcare, and community development. By investing in these areas, we contribute to the well-being of communities, particularly those in need. Our CSR strategy also extends to our employees, as we prioritize their well-being and foster a culture of integrity and responsible behavior through comprehensive ethics training programs.”

The response suggests that CBE has a comprehensive CSR strategy that encompasses environmental sustainability, social impact, and employee well-being. By implementing the tree planting campaign and supporting various social initiatives, CBE is actively working towards its sustainability goals, promoting positive change, and aligning its business operations with its values.

Question 13. How influential are external factors such as market demands and regulatory requirements in driving or hindering sustainable and socially responsible practices in CBE?

“Well, The adoption of sustainable and socially responsible practices is driven by increasing customer preferences and demands. Moreover, government imposed regulations play a pivotal role in shaping these practices.

However, many of our sustainable practices had been influenced by political instability and created challenges for CBE in implementing consistent sustainability initiatives.“

This response indicates that while market demands and regulatory requirements are influential drivers of sustainable practices in CBE, political instability has had an adverse effect on the bank's ability to implement and sustain these initiatives consistently. The mention of challenges suggests that external factors beyond market demands and regulations can significantly impact the bank's sustainability efforts.

Question 14. What role does innovation and technology play in driving sustainable practices within CBE?

“In CBE digital transformation plays a key role in driving sustainable practices. By embracing digital solutions and technologies, CBE reduces paper usage, enhances operational efficiency, and minimizes its environmental footprint. Through the adoption of digital platforms, online communication channels, and electronic transactions, CBE can contribute to a more sustainable future by reducing waste associated with traditional banking practices. Digital transformation empowers the bank to optimize resource usage, improve customer experience, and align with evolving sustainability trends.”

The interviewee highlights how innovation and technology, particularly digital transformation, enable CBE to drive sustainable practices. By reducing paper usage, enhancing operational efficiency, contributing to a sustainable future, and improving the customer experience, CBE demonstrates its commitment to environmental sustainability and staying in line with evolving sustainability trends.

Question 15. How does CBE ensure effective communication and engagement with the public regarding its CSR initiatives through various mediums?

“In our bank, we have recognized that there have been challenges when it comes to effectively communicating and engaging stakeholders in our sustainability initiatives. We acknowledge that poor communication has hindered the engagement of employees, customers, and other stakeholders in embracing and supporting sustainable practices, and to address this issue, we are committed to improving our communication strategies and channels.”

The response implies that the bank acknowledges the challenges it has faced in effectively communicating and engaging stakeholders in its sustainability initiatives. Poor communication has hindered employee, customer, and stakeholder involvement in supporting sustainable practices. In response, the bank is committed to improving its communication strategies and channels to better engage stakeholders and promote sustainability.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This section presents a summary of findings, conclusions and a set of recommendations based on the available data and research findings, with the aim of further enhancing CBE's ethical practices and CSR initiatives. The recommendations are designed to provide practical and actionable steps that can be taken to add a more relatable touch to the organization's approach, foster employee engagement, involve stakeholders, allocate resources effectively, review policies, promote diversity and inclusion, and establish robust monitoring and reporting mechanisms.

By implementing these recommendations, CBE can not only solidify its reputation as an ethical and responsible organization but also build trust among stakeholders and make a positive impact on society and the environment. The following recommendations will highlight the significance of effective communication, empowering employees, engaging stakeholders, allocating resources appropriately, regularly reviewing policies, promoting diversity and inclusion, and monitoring and reporting progress. These actions contribute to CBE's journey towards becoming a more ethically conscious and socially responsible corporate entity.

5.1. SUMMARY OF FINDINGS

The assessment of CBE's business ethics practices presents a mixed picture. While the bank demonstrates a commitment to social responsibility and making a positive impact, there are areas that require improvement. Specifically, providing training and guidance on the code of conduct to equip employees with the necessary knowledge and skills for ethical decision-making needs attention. By addressing these gaps, CBE can enhance its business ethics practices and align better with industry standards, establishing a strong ethical foundation within the organization.

The implementation of ethical business practices in CBE highlights several challenges that need to be addressed. The company's performance in providing training and educational resources, fostering employee engagement, resource allocation, CSR practices for risk mitigation, and competitive advantage is moderate, aligning with ethical business theories. To fully embrace these principles and enhance overall ethical business practices, CBE should make further improvements. Effectively addressing these challenges is crucial for strengthening the organization's ethical foundation and aligning more closely with ethical standards and best practices prevalent in the industry.

The evaluation of CBE's incorporation of CSR practices indicates progress but identifies room for improvement, particularly in risk mitigation and competitive advantage. Ethical business theories emphasize integrating ethical principles and CSR into strategies, decision-making, and stakeholder engagement. By aligning with these theories and strengthening CSR initiatives, CBE can enhance responsible business conduct, meet societal expectations, and potentially gain a competitive edge. Embracing ethical practices contributes to long-term sustainability and reinforces CBE's reputation as a socially responsible organization.

Overall, the evaluation highlights the importance of improving business ethics practices in CBE, addressing challenges, and aligning with ethical principles and industry standards. It emphasizes the need for further research to identify effective CSR practices and underscores the significance of adhering to ethical principles for overall improvement.

The Commercial Bank of Ethiopia (CBE) demonstrates a strong commitment to ethical business practices, which form the foundation of its operations. The bank effectively communicates ethical guidelines and standards to its employees, ensuring that all staff members are aware of the expectations and responsibilities regarding ethical conduct. CBE has established a clear and comprehensive ethical code of conduct that serves as a reference for employees in their daily activities.

5.2. CONCLUSIONS

This research study delves into the evaluation of business ethics and CSR practices at the Commercial Bank of Ethiopia (CBE), utilizing a combination of questionnaires and interviews to gather data and from the study analysis the research concluded the following points:

The evaluation of CBE's shows a commitment to social responsibility and creating a positive impact, there are areas that need improvement. Specifically, there is a need to focus on providing training and guidance on the code of conduct, equipping employees with the necessary knowledge and skills to make ethical decisions. By addressing these gaps, CBE can enhance its business ethics practices and align more effectively with industry standards, establishing a strong ethical foundation within the organization.

The assessment of challenges faced in adopting business ethics and CSR practices in CBE underscores the need for significant improvements. While the company demonstrates moderate alignment with ethical business theories in areas such as training, employee engagement, resource allocation, CSR practices for risk mitigation, and competitive advantage, further efforts are necessary to fully embrace these principles.

The evaluation of incorporating corporate social responsibility (CSR) practices in CBE reveals both positive developments and areas requiring improvement. While progress has been made in aligning with ethical business theories and integrating CSR practices, there are specific areas, such as risk mitigation and competitive advantage, that require further attention.

5.3. RECOMMENDATIONS

Commercial Bank of Ethiopia (CBE) to address the shortfall in providing training and guidance on the code of conduct, should consider implementing comprehensive and interactive training programs. These programs should be mandatory for all employees and cover various aspects of ethical practices and decision-making. By incorporating workshops, role-playing exercises, and group discussions, CBE can encourage active participation and practical application of ethical principles. Additionally, providing ongoing training opportunities, such as refresher courses and online modules, will help reinforce ethical practices and keep employees updated on any changes.

CBE should prioritize ensuring that everyone understands the ethical policies and CSR practices by providing clear and concise guidelines and regularly updating employees through various communication channels. In addition, it's important for CBE to invest in training programs and resources that help employees grasp and uphold ethical practices. This includes organizing workshops, seminars, and providing materials that offer guidance on making ethical decisions.

Furthermore, CBE should actively involve employees in ethical decision-making and CSR initiatives. They should encourage their participation, listen to their feedback, and recognize and reward their ethical behavior and contributions. By doing so, CBE can create a sense of ownership and engagement among employees.

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APPENDIXES

Appendix A

INTERVIEW

ST. MARY'S UNIVERSITY COLLEGE | SCHOOL OF GRADUATE STUDIES

INTRODUCTION

Thank you for participating in this interview. The purpose of this study is to assess the business ethics and CSR practices of CBE. Your responses will remain secure, confidential and anonymous.

PART I. DEMOGRAPHIC INFORMATION OF RESPONDENT

AGE

18 – 30

41 – 50

ABOVE 60

31 – 40

51 - 60

GENDER

Male

Female

EDUCATIONAL BACKGROUND

Certificate

Masters

Diploma

PHD>

Degree

LENGTH OF KNOWING CBE

< 1 Year

> 3 Year

1 – 3 Year

PART II. INTERVIEW

1. What key business ethics practices CBE have and what values CBE follows?
2. How would you describe CBE ethical code of conduct regarding conflicts of interest, anti-bribery, and corruption?
3. How would you describe the importance of ethical behavior and CSR initiatives within CBE?
4. Implementing business ethics and CSR initiatives can present various challenges. In your experience what are some of the key challenges CBE faces when it comes to successfully implementing and integrating business ethics and CSR practices?
5. Does CBE have a system in place to track, monitor and report on its CSR performance? If yes, how do you describe the transparency of the organization reporting practice?
6. How would you describe the frequency with which CBE reviews and updates its ethical policies and practices to foster continuous improvement?
7. How do you describe CBE's approach to CSR?
8. Can you provide examples of specific initiatives that demonstrate CBE's commitment to ethical business practice and CSR?
9. How does CBE ensure that ethical guidelines and standards are communicated and understood by employees at all levels?
10. How do you perceive the relationship between business ethics, CSR and financial performance?
11. How can environmental sustainability, social justice, and ethical behavior have a financial impact on CBE?
12. What specific sustainability initiative or program that CBE has implemented? How was it aligned with the bank's overall CSR strategy, and what were the key goals and outcomes of these initiatives?
13. How influential are external factors such as market demands and regulatory requirements in driving or hindering sustainable and socially responsible practices in CBE?
14. What role does innovation and technology play in driving sustainable practices within CBE?
15. How does CBE ensure effective communication and engagement with the public regarding its CSR initiatives through various mediums.

Appendix B

QUESTIONNAIRE

ST. MARY'S UNIVERSITY COLLEGE | SCHOOL OF GRADUATE STUDIES

INTRODUCTION

Thank you for participating in this questionnaire. The purpose of this study is to assess the business ethics and CSR practices of CBE. Your responses will remain secure, confidential and anonymous.

PART I. DEMOGRAPHIC INFORMATION OF RESPONDENT

AGE

18 – 30

41 – 50

ABOVE 60

31 – 40

51 - 60

GENDER

Male

Female

EDUCATIONAL BACKGROUND

Certificate

Masters

Diploma

PHD>

Degree

LENGTH OF KNOWING CBE

< 1 Year

> 3 Year

1 – 3 Year

PART II. QUESTIONNAIRE

	<i>SD</i>	<i>D</i>	<i>N</i>	<i>A</i>	<i>SA</i>
<i>Current business ethics practices of CBE</i>					
<i>CBE demonstrates a strong commitment to ethical business practice and CSR.</i>					
<i>CBE effectively communicates ethical guidelines and standards to employees.</i>					
<i>CBE has a clear and comprehensive Ethical Code of Conduct.</i>					
<i>CBE provides training or guidance on CBE's Ethical Code of Conduct.</i>					
<i>challenges observed by implementing ethical business practices in CBE</i>					
<i>The training and education resources provided by CBE were effective in promoting ethical behavior.</i>					
<i>CBE is effective in fostering employee (stakeholder) engagement for ethical operation.</i>					
<i>CBE makes available and allocate financial, human and technological resources to support the implementation of ethical practice.</i>					
<i>effects observed by incorporating corporate social responsibility (CSR)</i>					
<i>Incorporating CSR practices had made CBE mitigate potential risks and avoid reputational</i>					

<i>damage.</i>					
<i>Embracing CSR practices had provided CBE with a competitive advantage in the market.</i>					
<i>CBE made a positive impact on society and the environment by implementing CSR practices.</i>					
<i>Specific CSR practices that were most effective in promoting sustainable and socially responsible banking practices</i>					
<i>CBE collaborates and partners with other firms to promote sustainable and socially responsible banking practices.</i>					
<i>CBE provides clear and comprehensive information about its ethical policies and practices.</i>					
<i>CBE actively involves its stakeholders in decision making processes and seeks their input on sustainability and social responsibility issues.</i>					

Appendix C

Informed Consent Form for Assessment of Business Ethics and CSR Practice at Commercial Bank of Ethiopia.

TITLE: Informed Consent Form for Participation in the Assessment of Business Ethics and CSR Practice at Commercial Bank of Ethiopia.

INTRODUCTION

You are being invited to participate in a research on assessment focused on the evaluation of business ethics and corporate social responsibility (CSR) practices at Commercial Bank of Ethiopia. Before you decide whether to participate, it is important that you understand the purpose, procedures, potential risks, and benefits associated with this assessment.

Please read the following information carefully and feel free to ask any questions before providing your consent.

PURPOSE OF THE ASSESSMENT

The purpose of this assessment is to evaluate the business ethics and CSR practices at Commercial Bank of Ethiopia. The findings will contribute to a research study aimed at understanding and enhancing ethical practices within the banking industry.

PROCEDURES

Your participation in this assessment will involve the following:

- Reviewing and analyzing relevant documents and policies provided by Commercial Bank of Ethiopia.
- Completing assessment questionnaires or participating in interviews to gather your expert opinions and insights regarding Commercial Bank of Ethiopia's business ethics and CSR practices.
- Providing any additional information or documentation you deem relevant to the assessment.

Voluntary Participation

Participation in this assessment is entirely voluntary. You have the right to decline participation or withdraw your consent at any time without any negative consequences. Your decision will not impact your relationship with the Commercial Bank of Ethiopia or any other parties involved in the assessment.

Confidentiality and Anonymity

All information you provide during this assessment will be treated confidentially. Your identity will be kept strictly confidential, and your responses will be anonymous in any reporting or publication. Only the researcher will have access to the collected data, which will be stored securely in password protected electronic files or locked cabinets for physical documents. and used solely for research purposes.

Potential Risks and Benefits

Participating in this assessment does not involve any known physical risks. However, there is a minimal risk of breach of confidentiality, despite my best efforts to protect your information. The benefits of participating include contributing to the advancement of ethical practices in the banking industry and providing valuable insights to Commercial Bank of Ethiopia for potential improvement.

Contact Information:

If you have any questions, concerns, or require additional information about this assessment, please contact, ABDUREZAK MEKA at 0901112274 or abdurezakmeka@yahoo.com. If you have any concerns regarding the ethical conduct of this research, you may contact the St. Mary's University College at <http://www.mysgs.smuc.edu.et/sgs/>

By signing below, you acknowledge that you have read and understood the information provided in this Informed Consent Form. You voluntarily agree to participate in the assessment of business ethics and CSR practice at Commercial Bank of Ethiopia, and you consent to the use of the collected data for research purposes.

Participant's Name: _____ Participant's Signature: _____

Date: _____