

T.C.
ISTANBUL AYDIN UNIVERSITY
INSTITUTE OF GRADUATE STUDIES



**THE IMPACT OF BUSINESS ETHICS ON ORGANIZATIONAL
PERFORMANCE:
A CASE STUDY OF NEW KABUL BANK, AFGHANISTAN**

MASTER'S THESIS
Mohammad Tawab DURZADAH

Department of Business
Business Administration Program

OCTOBER, 2023

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**Department of Business
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Thesis Advisor: Asst. Prof. Dr. Cihan TINAZTEPE

OCTOBER, 2023

ONAY SAYFASI

DECLARATION

I hereby affirm that this thesis has been crafted in accordance with the guidelines and policies of the University regarding the formulation of proposals:

- I confirm that this proposal is entirely my own work and has undergone thorough plagiarism checks.
- The information and materials included in the proposal adhere to the appropriate academic standards.
- Any images, figures, or statistics incorporated in the proposal, when relevant, conform to scientific guidelines.
- Proper recognition has been given to the works of other authors.
- The sources consulted during the preparation of this proposal have been duly acknowledged.
- Furthermore, I affirm that this proposal has not been previously submitted to any department within this university or any other educational institution for the purpose of obtaining any academic distinction.

October,2023

Mohammad Tawab DURZADAH

FOREWORD

All praise and gratitude be to Allah, the Most Compassionate and the Most Merciful, for His divine assistance in enabling me to successfully conclude this research. I am profoundly thankful to my supervisor, Dr. Cihan TINAZTEPE, whose invaluable contributions have greatly influenced the outcome of this study. Their guidance, expertise, and perceptive feedback have been pivotal in shaping the results. Additionally, I would like to extend my sincere appreciation to the members of the Social Sciences Department for their unwavering assistance and support throughout this endeavor. I am grateful for their constant availability whenever I sought guidance or clarification. I want to express my heartfelt appreciation to the faculty members in the Business Administration Department at Istanbul Aydin University (IAU) for their invaluable guidance and unwavering encouragement during my master's program. Their timely guidance has been instrumental in my academic journey, and I am truly appreciative of their unwavering dedication. Their profound knowledge and willingness to provide assistance have played a crucial role in my academic journey. Once again, I would like to express my profound appreciation to my family, as well as my supervisor, for their immense support and guidance. and the esteemed faculty members who have significantly contributed to my academic growth and the successful completion of this study.

October,2023

Mohammad Tawab DURZADAH

THE IMPACT OF BUSINESS ETHICS ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF NEW KABUL BANK, AFGHANISTAN

ABSTRACT

This research aims to evaluate how business ethics influence the performance of organizations, using New Kabul Bank in Afghanistan as a case study. New Kabul Bank, the largest commercial bank in Afghanistan with 116 branches spread across the country, has established its prominent position in the national banking sector. The study will be conducted at the bank's central office. The study covered a period of four (4) years from starting 2018-2021. This time chosen is the period in which the company experienced issues in its performance in their operations. The study will assess the period and determine the extent and degree of existence of the organization through business ethics. By utilizing a quantitative research approach, survey data was collected from a sample of 207 employees (171 male and 36 female) across various departments and hierarchical levels within NKB. The information gathered from the participants will be inputted into a computer system and analyzed using the Statistical Package for the Social Sciences (SPSS) Version 20. This software will aid in summarizing the coded data and expediting the data analysis process. The study had a general objective of examining the overall effect of Business ethics on organizational performance, while specific objectives focused on exploring the relationships between ethical climate, ethical standards, and ethical leadership with organizational performance. Data analysis involved several techniques, including descriptive analysis to summarize and explore the data, factor analysis to identify underlying factors contributing to the observed correlations among variables, correlation analysis to determine the relationships between the study variables, and regression analysis to fulfill the study's objectives by examining the effects between variables. The study will be important to the employees of New Kabul Bank in Afghanistan since it will

encourage the adoption of ethical practices within the company, which will improve organizational performance.

The study will be important for leadership and management as well since it will give them information about ethical leadership and help them comprehend it. Additionally, it will give business executives and managers of all firms in the Southeast information on how to succeed as a company by implementing strong ethical standards.

Keywords: Business ethics, Ethical climate, Ethical standards, Ethical leadership, Organizational performance, Profitability, Sales revenue, and Market share.

THE IMPACT OF BUSINESS ETHICS ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF NEW KABUL BANK, AFGHANISTAN

ÖZET

Çalışma, iş etiğinin organizasyon performansı üzerindeki etkisini değerlendirecek: Afganistan'daki New Kabil Bank vaka çalışması. bu banka, ülke çapında 116 şubesi ile Afganistan'ın en büyük ticari bankasıdır. Yeni Kabil Bankası, tercih edilen banka statüsü kazandığı Afganistan bankacılık sektöründe yerini almıştır. Araştırma bankanın genel merkezinde yapılacak. Çalışma, 2018-2021'in başlamasından itibaren dört (4) yıllık bir dönemi kapsıyordu. Seçilen bu süre, şirketin faaliyetlerinde performansında sorunlar yaşadığı dönemdir. Çalışma, dönemi değerlendirecek ve örgütün iş etiği aracılığıyla varlığının kapsamını ve derecesini belirleyecektir. Nicel bir araştırma yaklaşımı kullanılarak, anket verileri, NKB bünyesinde çeşitli departmanlarda ve hiyerarşik seviyelerde çalışan 207 çalışandan (171 erkek ve 36 kadın) toplanmıştır. Katılımcılardan toplanan veriler bir bilgisayara girilecek ve kodlanmış verilerin özetlenmesine ve hızlandırılmış veri analizine yardımcı olan sosyal bilimciler için istatistik paketleri (SPSS) Versiyon: 20 kullanılarak analiz edilecektir. Çalışmanın genel bir amacı, İş etiğinin örgütsel performans üzerindeki genel etkisini incelemek iken, özel hedefleri ise etik iklim, etik standartlar ve etik liderlik ile örgütsel performans arasındaki ilişkileri keşfetmeye odaklanmıştır. Veri analizi, verileri özetlemek ve keşfetmek için tanımlayıcı analiz, değişkenler arasında gözlenen korelasyonlara katkıda bulunan temel faktörleri belirlemek için faktör analizi, çalışma değişkenleri arasındaki ilişkileri belirlemek için korelasyon analizi ve çalışmanın hedeflerini yerine getirmek için regresyon analizi dahil olmak üzere çeşitli teknikler içeriyordu. değişkenler arasındaki etkilerin incelenmesi. Çalışma, Afganistan'daki New Kabul Bank çalışanları için, şirket içinde örgütsel performansı artıracak etik uygulamaların benimsenmesini teşvik edeceği için önemli olacaktır.

Çalışma liderlik ve yönetim için de etik liderlik hakkında bilgi vermesi ve onu kavramasına yardımcı olması açısından önemli olacaktır. Ek olarak, Güneydoğu'daki tüm firmaların yöneticilerine ve yöneticilerine güçlü etik standartlar uygulayarak bir şirket olarak nasıl başarılı olunacağına dair bilgi verecektir.

Anahtar Kelimeler: İş ahlakı, Etik iklim, Etik standartlar, Etik liderlik, Kurumsal performans, Kârlılık, Satış geliri ve Pazar payı.

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LIST OF ABBREVIATIONS

- EC** : Ethical climate
- ES** : Ethical standards
- EL** : Ethical leadership
- NKB** : New Kabul Bank
- EU** : European Union
- SPSS** : Statistical Package for Social Sciences
- CSR** : Corporate Social Responsibility

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I. INTRODUCTION

A. Background of The Study

(Tuna M., Ghazzawi I., Tuna A., & Catir O., 2019) say that business ethics are the rules, principles, Principles, beliefs, and standards that govern behavior. and behaviors of people in companies. Business ethics, according to (Ebutu E. T. & Buredugo S. B., 2015), is figuring out and putting into place rules of behavior that will shape the way workers act and think so that they meet the organization's standards. According to (Marucha, 2012) In the realm of business ethics, discipline encompasses the adherence to specific regulations and guidelines by employees or individuals, with the purpose of enhancing their job performance. Discipline also includes rules, regulations, and procedures that have to be followed in order to make sure the business can run smoothly. Discipline is when a boss punishes an employee for doing something wrong at work in order to get respect or obedience.

In recent years, international entities have acknowledged the significance of ethics and have actively endorsed various research studies and reports aimed at promoting awareness of ethical conduct and providing recommendations for improved practices. In 2012, the European Commission put out the special Eurobarometer 374, which asked people in EU member states how corrupt they thought their government was. This study found that most Europeans think cheating is a big problem in their country and has gotten worse over the last few years. It also says that most Europeans think cheating happens in both the public and private sectors. Back in 2011, the European Union (EU) took proactive measures to monitor their efforts in combating corruption and preventing its occurrence within their member states through the EU Anti-Corruption Report. Additionally, during the same period, the EU further expanded its initiatives by urging companies to adhere to internationally recognized guidelines on corporate social responsibility (CSR).

The concept of ethics in achieving organizational success has long been emphasized by management scholars and business leaders worldwide. It is widely

acknowledged that every organization should adopt a business policy that prioritizes honesty and ethical conduct. Ethics primarily concerns the impact of decisions on individuals and the overall well-being of the company. According to (Etuk, 2014), ethics and morals are integral components of axiology, which pertains to determining what is considered good, beautiful, and desirable in human behavior. Ethics involves the study of behavioral standards and principles that govern interpersonal and institutional interactions. As stated by (Ebitu E. Tom & Beredugo S. B., 2015), ethics encompasses a set of moral principles and values that guide an organization and its employees in conducting business activities, both internally and externally.

According to (Turyakira, 2018), ethics within the business realm can be defined as embodying "common decency," encompassing qualities such as honesty, fairness, and integrity. Ethical conduct is considered a social responsibility of organizations, rooted in the belief that businesses should have a positive impact on society beyond purely maximizing profits. Business ethics constitute the fundamental principles that establish the criteria for determining what is morally right or wrong, or what constitutes good or bad behavior in a business environment.

Furthermore, (Branko M., Drago C., & Zoran, 2015) suggest that moral reasoning within an organization's ethical context is more inclined to result in ethical behavior when individuals demonstrate empathy towards those impacted by their actions and possess a sense of efficacy in implementing their decisions. Thus, the ethical climate, collective moral emotion, and collective ethical efficacy collaboratively contribute to cultivating an environment conducive to ethical conduct.

When you have good business ethics, costs and risks go down. People think that bribes and corruption hurt the growth of a healthy economy, and they think that not having high ethical standards hurts trust and loyalty, which hurts a company.

Ethical business practice is a way for businesses to follow the rules and regulations that are good for the world and help the business do well Sharafa (2014). Ethical business practices encourage good management and good company governance, which leads to CSR. He makes a point of saying that this is a type of self-regulation that is built into a company model. CSR is a built-in, self-regulating system that an organization uses to make sure it is following laws, social rules, and

international business standards. CSR not only helps the company make more money and improve its image, but it also sets the stage for long-term success.

(Cheteni P. & Shindika E. S., 2017), study showed that South Africa has a lot of corruption, unethical behavior, and people who don't take responsibility for what they do. Nearly everyone in Africa thought that these illegal actions were normal. It was almost impossible to call the lack of ethics in public service in South Africa a disaster. The methods are so common in the public service in South Africa that they are almost seen as the way to do business in the public sector. But things aren't all bad in the South African region. Countries like Namibia and Botswana have enough graft to be manageable. (Cheteni P. & Shindika E. S., 2017), say that this is not true for most African countries. The system in place In Nigeria, a study by Okagbue (2013) found that there was a leadership problem due to the fact that public leaders were not acting in an honest way. Their actions have made it harder for these organizations to run well and provide good services. This has led to a leadership crisis. Okagbue's (2013) study (Olajide T. O., Okunbanjo O. I., & Adeoye A. O., 2016) showed that ethical practices like honesty, care for people, citizen involvement, accountability, transparency, and rule of law were important and needed to be upheld for ethical leadership in the West African state. Afghanistan, like other countries, has put social limits on what they can do in their work, which limits the performance of organizations. Along with the Ethics and Compliance Manager Certification Program, which started on November 5, 2016, the Turkish Vocational Qualifications Authority at the Ministry of Labor and Social Security asked TED to make the Occupational Standards of Ethics and Compliance Managers.

B. Operational Definitions

Profitability is an important measure for judging how well an economy works (Cojocar C., 2000). Profitability means that a business can make more money from sales than it costs to run the activity. In a market economy, the most important way to measure how well the economy is working is by how profitable it is. When making a business decision, it goes without saying that the best choice is the one that makes the most money. Profitability is the most important way to measure how well an economic activity works, because its value shows how the effort put into an enterprise compares to the results it gets.

Market share is a result of what a company sells or provides. Distribution channels, marketing efforts, and connections with customers are all important. In other words, a business's market share is a key success indicator because it shows how competitive they are and where they stand in the market. A bigger share of the market generally means a bigger customer base, a bigger presence on the market, and possibly more control over market trends. Companies can try to get a bigger share of the market by doing things like making their products stand out, using different price strategies, running marketing campaigns, or buying other companies.

Sales revenue is an important financial measure because it shows how well a company sells and how well it can make money. It is a key part of figuring out how well a company is doing financially, and it is often the main thing that people look at when judging the growth and success of a business. In other words, it's how much money a business makes by selling its goods or services to customers.

C. Statement of The Problem

There are a lot of problems that many modern companies have to deal with, such as illegal and unethical behavior in some business transactions. Today, many business managers run their businesses without giving much thought to whether or not what they are doing is right or wrong. Most workers don't even know what the word "ethics" means, and the level of compliance is very low. (Farouk S & Jabeen F, 2018) said that an environment for unethical behavior is created by a lack of clear procedures, personal financial needs, and a focus on the short term that is too strong. Performance of organizations around the world is usually going down (Ononogbo M.C., Joel A, & Edeja S.M.E, 2016), This can be seen in things like profits, sales, and new customers. Businesses could be having trouble with their performance because of unethical behavior. Having an ethical business climate, ethical standards, and ethical behavior could improve the performance of banks in Afghanistan, but there doesn't seem to be any work being done to change the situation. Because of this, a study needs to be done on how business ethics affect the performance of a company in order to find ways To enhance the operational effectiveness of the banking industry in Afghanistan. (in this case, New Kabul Bank)

D. Research Questions

The ethical climate is an integral component of the overall corporate culture. It has been observed through research that unfavorable ethical climates are associated with a higher incidence of unethical conduct, while good ethical climates lead to less unethical behavior. (Smith H. J., Thompson R. L., & Iacovou C. L, 2009)(2009) So, the first study question is:

- Does ethical climate affect organizational performance?

Also, managers who worked in an ethical climate that was good thought that success and ethical behavior went together well, while managers who worked in an ethical climate that was bad thought that success and ethical behavior went together badly (Deshpande, 1996).

In Nze's study conducted in 2016, the focus was on the impact of business ethics and corporate social responsibility (CSR) on Nigerian corporate entities. The findings indicated that banks embraced ethical values to elevate their performance and enhance their standing in society. The positive consequences of implementing CSR practices, such as improved public perception, customer loyalty, minimized regulatory challenges, and increased revenue, collectively contributed to the overall success of these organizations in Nigeria. Accordingly, the second question of the research is:

- Do ethical standards affect organizational performance?

Recommendations say that business ethics and corporate social responsibility (CSR) should get more attention and effort from corporate organizations. They should also make rules about ethics and CSR to provide a guide and focus efforts on using them to help the organization succeed.

(Al Nasser N. & Osborne A., 2013) asserted that the leadership style should evolve and adapt as projects and processes advance. Autocratic styles of leading are often seen as not being ethical, while democratic and participatory styles of leading are. Ethical leadership does give employees reasons to do a good job, but when a company has strong values, the effect of leadership on employee performance goes to a higher level. And the third question of the research is:

- Does ethical leadership affect organizational performance?

The correlation between employees' performance and ethical leadership can either be positive or occasionally indirect, emphasizing the significance of implementing ethical leadership improvement initiatives to enhance moral values.

E. Conceptual Framework

The conceptual framework serves as a framework for organizing the research idea or concept, aligning it with the research problem, and connecting it to relevant literature. It is typically represented in a diagrammatic model that illustrates the key variables and their anticipated relationships. The framework posits that business ethics, as a whole, have a positive impact on organizational performance.

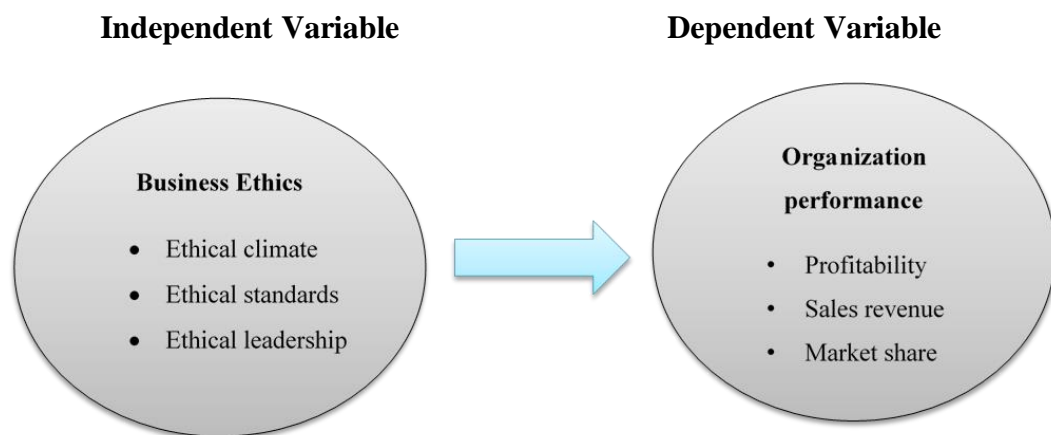


Figure 1: Conceptual Framework Showing Relationship between Business Ethics and Organizational Performance.

During this study, we tried to answer the following basic research questions: Ethics at work can sometimes affect how well a group does its job. The moral reasoning of everyone in a company is shown by the ethical work climate. So, a strong ethical climate gives employees a place to start when they want to think about moral problems (Rimsha Z. & L., 2015). Even though members of an organization may be able to reason well about the right thing to do, whether or not they actually do it relies on two other contextual factors: The combined emotional resonance of a group (reflected as collective empathy) and the shared belief in the ability to make ethical decisions (collective ethical efficacy). Organizational performance. (Lo, (Lo May-Chiun1, Abang Azlan Mohamad, T Ramayah, & Wang Yin Chai, 2015) is a way to measure how well a company does in the market compared to its competitors and how well the company meets the wants of its stakeholders. Most of the time, growth, profits,

and how well a business works are used to measure an organization's success. (Muda, A Rafiki, & MR Harahap, 2014) say that an employee's success can be judged by how productive they are. So, based on this, here is the first study question. (Choi S.B., Ullah S. M. E., & Kwak, 2018) found that people who had a more positive view of the ethical environment also had a more positive view of performance. There was also a link between a strong sense of ethics and a more positive view of business social responsibility (CSR).

According to these findings the first hypothesis of the study is:

Hypothesis 1: Ethical climate has the highest positive effect on organizational performance.

(Alanazi, 2013), says that if you want your business to do well, it's important to follow some business ethics standards because that has a direct effect on how well your workers do their jobs and, in the end, how well your business does. He also says that in a group, it's important for everyone to get along, both with the boss and with each other.

(Samak M.T.T, 2017) says that there is a link between ethical standards in business and how well a company does. The study shows that ethics is a big part of how profitable a company is and helps set rules for how employees should act. (Brigata.T, 2015) says that business ethics has a direct link to how well employees do their jobs and how well the company does as a whole. These results support the second hypothesis, which is:

Hypothesis 2: Ethical standards have positive effect on organizational Performance.

The findings indicate that ethical leadership significantly contributes to positive outcomes in terms of corporate governance, corporate performance, and corporate social responsibility. Leadership and following should be chosen and trained with more care by management. All stakeholders should have an equal say in how company governance principles are made. Employing a natural or trained ethical leader is the best way to incorporate corporate governance, corporate performance, and corporate social responsibility into the fabric of the company's culture. Muhammad Mustabsar Ahmad and Umer did research in 2016 on how ethical leadership affects how well workers do their jobs. Employees are very important to the organization because they make it easier for the organization to reach its goals. Employees are the most important

resource for getting ahead of the competition. A good example of an ethical way to lead is when the boss shares power with the people who work for them. So, it makes sense that an ethical boss would inspire his or her employees more, which would make them work better. In addition to looking at the direct link between ethical leadership and how well workers do their jobs, this study will also look at how organizational values affect that link. So, here's the third idea:

Hypothesis 3: Ethical leadership has positive effect on organizational Performance.

F. The Importance of the Study

The study hopes to be useful to the leadership and management of the New Kabul Bank in Afghanistan. If the study's recommendations are put into action, they will help promote business ethics and improve the performance of the company. The study will also be important to leadership and management because it will help them learn and understand what it means to be a responsible leader.

The study will be important to the members of the New Kabul Bank in Afghanistan because it will help the bank improve its performance by promoting good behavior within the bank. The study will be important to retirees because, if the study's suggestions are followed, they will lead to better performance and more benefits for beneficiaries and other stakeholders.

This study will be very important to people who work in management, run businesses, and study management. First, it will be very helpful for people who work in different areas of management to learn how ethics can be used to help a business succeed.

It will also tell business leaders and managers in the southeast how to make their organizations successful by using good ethics practices.

Lastly, the study will add to what scholars already know about this important part of management strategy. Because of this, researchers will use it a lot as a source document, which will also lead to more study in this area.

II. LITERATURE REVIEW

A. Theoretical Review

This study is based on the idea of stakeholders. (Freeman R. E., 1983) came up with Stakeholder Theory, he wrote Strategic Management: A Stakeholder Approach, which was one of his books. In Freeman's influential work in 1984, he introduced the concept of "stakeholder theory," emphasizing the importance of giving systematic attention to the interests of stakeholders for the success of a firm. Traditionally, a shareholder was defined as "any individual or group that can influence or be influenced by the organization's ability to achieve its objectives" (Freeman, 1984). This perspective has offered a fresh perspective on how organizations should be structured. (Friedman, 2006) further argued that stakeholders encompass various entities, and the primary objective of an organization should be to effectively address their interests, perspectives, and needs. Depending on the nature of the business, stakeholders may encompass suppliers, customers, shareholders, community members, and environmental groups. This system was made because managers had to deal with a lot of problems and changes that were out of their control. It was made to solve the problems that the managers were having. Even though the idea was old, a lot of people used this method in the 1980s. The origins of this term can be traced back to the practical research conducted at the Stanford Research Institute during the 1960s (Freeman, Harrison, Wicks, Parmar, & Colle, 2010) Since then, this approach, along with recent studies in its four sub-fields-Corporate Social Responsibility and Performance, Strategic Management, Normative Theories of Business, Governance, and Organizational Theory-has experienced significant growth and development.

In simple terms, the stakeholder theory of organization posits that individuals whose lives are impacted by a business possess the right and responsibility to participate in its decision-making processes (Kotler P. & Keller K. L., 2006). Consequently, these stakeholders hold a vested interest in the company, and their opinions should be considered when making decisions. According to Kotler and Armstrong (2008), the five key partners include shareholders, employees, customers,

suppliers, and the community. Therefore, it becomes crucial for organizations to prioritize transparency by being open and accessible before, during, and after business operations, as this fosters ethical practices that benefit shareholders. Conversely, Baker and Hart (2008) highlight that stakeholder theory necessitates business leaders to engage with all parties involved, ensuring a balanced approach that considers the interests and well-being of everyone, with the ultimate aim of maximizing benefits for a broader range of individuals. If partners aren't fully involved or aren't told the facts, business ethics may lose its value.

(Freeman, Harrison, Wicks, Parmar, & Colle, 2010) said that Donaldson and Preston (1995) said Stakeholder theories can be categorized into descriptive, instrumental, and moral perspectives. The descriptive theory examines the various stakeholders associated with a company. The instrumental view looks at how stakeholders are important to the organization's success. Last but not least, the normative approach looks at why a company should care about its stakeholders.

Within the realm of business studies and as a valuable managerial tool, the objective of business ethics is to promote awareness and comprehension of the interdependence between business actions and their impact on society, as well as how society influences business (Lantos, 2001). When corporate social responsibility (CSR) is effectively implemented within an organization, it establishes a robust connection between the organization and its stakeholders (Maignan and Ferrell, 2004; Bhattacharya and Sen, 2004). Consequently, this fosters enhanced dedication, trust, customer loyalty, and increased investments from suppliers and shareholders. which will help the organization grow. Organizational growth depends a lot on how involved and active a company is in social and environmental issues. It shows how much a company cares about its internal and external surroundings and helps build a good reputation for the company.

The main idea behind the stakeholder theory is that managers should care most about their ties with stakeholders. But business ethics is about the duties that a company needs to take care of. We could say that both ideas are related, but the amount of generality is different when it comes to business ethics. (Quazi, 2003) says that the Stakeholder Theory is a good way to measure the growth of a company.

The stakeholder model puts the interests and worries of the organization's stakeholders ahead of the organization's financial interests. From the point of view of the stakeholder model, the focus is on how to make the beneficiary group happy and build relationships that are good for both sides. Based on this assumption, it's possible to say that the philosophy behind business ethics activities under the stakeholder model can make employees feel good about their jobs, which will make them more likely to take part. In this study, the researcher will look at how business ethics activities based on the stakeholder model affect the performance of a company.

B. Conceptual Review

1. Business ethics

Business ethics encompasses contemporary terminology encompassing guidelines, principles, value systems, and norms that govern individuals' actions and conduct within a corporate setting. The concept can be approached from two perspectives: a rule-based framework or a descriptive standpoint. As a field, business ethics predominantly adopts a normative approach, influencing business practices and job specialization. Scholars employ rigorous methodologies to comprehend the functioning of businesses. The multitude and diversity of ethical dilemmas in the business realm demonstrate how profit-oriented behavior interacts with other concerns. In this particular study, business ethics is assessed through the examination of ethical climate, ethical norms, and ethical leadership.

2. Organizational Performance

Organizational performance, according to (Ricardo R., 2001), is the ability of the company to reach its goals and objectives. Organizational success has had problems with both how it is defined and how it is thought of. This is what Heffernan and Flood (2006) said. They said that organizational performance as an idea in modern management was not clear in several ways. The first was about what it meant, and the second was about how to measure it. People sometimes mixed up the words "performance" and "productivity." Productivity was a measure that showed how much work was done in how much time. Performance was a more general measure that could be based on things like output, quality, consistency, and other things. According to Cooper-Hakim and Viswesvaran (2015), organizational success can be understood as

the process of converting inputs into outputs to attain specific desired outcomes. Performance provides insights into the connections between minimal cost and efficient cost (economy), efficient cost and actual output (efficiency), and actual output and attained outcome (effectiveness) in relation to its substance. Organizational performance can be measured by how well the company meets its goals, such as by meeting both short-term and long-term goals when they are due. The group shouldn't waste its limited funds on things that aren't worth the money. The projects listed in the organization's goals should get the most out of their resources by using them in the best way possible. Organizations can't waste their limited money and trained workers on projects that don't make money (Wee, 2009). Organizational performance is the process of turning inputs (human, financial, and material resources) into outputs (services or tangibles of service delivery) at the lowest cost (Richard, Devinney, Yip, and Johnson, 2009). It has to do with turning inputs into outputs in a way that is efficient and effective for the good of society, the economy, and the environment.

C. Empirical Literature

1. Ethical Climate

Ethical climate is the set of rules that people in a company follow to decide what is and isn't ethical. So, the ethical environment is more about how decisions are made than about the decisions themselves. A model of nine theoretical categories of ethical climate was developed by Victor and Cullen (1988). Through a factor analysis of these nine types, they identified five ethical climate factors that exhibited prominence. In groups, all nine types are possible in theory, but most of the time, only five types show up (Simha A. & Stachowicz-Stanusch A., 2015). In their conceptualization, Victor, and Cullen (1987) conceptualized the ethical environment as comprising three distinct and conflicting types: principle, altruism, and egoism. The principal type was characterized as an ethical climate wherein individuals adhere to their personal moral values, organizational regulations, or legal standards set by authorities. Benevolence was described as an ethical climate in which people try to maximize the interests of the group or the group as a whole because they want to be friends, help the team, or do their part for society.

Ethical climate is an integral aspect of the overall corporate culture. As anticipated, research has consistently shown that unfavorable ethical climates are associated with a higher incidence of unethical conduct, while good ethical climates lead to less unethical behavior. (Smith H. J., Thompson R. L., & Iacovou C. L, 2009) Managers who operated in a positive ethical environment believed that success and ethical conduct were closely aligned, whereas those in a negative ethical climate perceived a disconnect between success and ethical behavior (Deshpande, 1996). This study aims to delve into the correlation between employees' perceptions of an organization's ethical climate and the level of trust within the context of a social exchange framework based on reciprocity. Additionally, the research seeks to examine whether changes in perceived organizational performance or individual employee performance have an impact on this association.

2. Ethical Standards

Ethical standards are a set of rules made by the organization's founders to show what the organization's moral ideals are. This code gives a set of rules that can be used as a guide when making decisions. These rules are an important part of the culture of a company. They set the rules for how owners and top executives want employees and suppliers to act, at least as far as their interaction with the business goes. A company governance system will work hard to get these ideas across and make sure they are followed. Most of the time, this is done by showing people how to act. This means that top executives should show how lower-level workers should act. Some examples of these standards are responsibility, honesty, openness, and fairness. Each person may have a different idea of what they mean, but companies usually explain how the founder sees each value to avoid confusion. When different ethical problems come up in normal business activities, these principles should also be used as guidelines for making decisions. This will help employees align their own standards with the company's. This moral "compass" is important to keep unethical behavior to a minimum, especially for people in management roles.

Ethical leadership

Ethical leadership is when a leader shows a set of principles, values, and actions that promote and uphold ethical standards in a company or community. When making decisions and taking action, ethical leaders put moral character, fairness, and

accountability at the top of their lists. They have traits like honesty, openness, compassion, and respect for others. Ethical leaders not only follow ethical rules themselves, but they also encourage and teach others to do the same.

Ethical leadership means thinking about the well-being of everyone involved, such as workers, customers, shareholders, and society as a whole. It means making decisions and taking actions that are morally right, even when things are hard, or people have different goals. Ethical leaders try to make their company a place that encourages ethical behavior, builds trust, and grows a culture of integrity.

3. Relationship Between Ethical Climate and Performance

Prior studies have investigated the connection between ethical climate and achievement using various methodologies compared to the present study. For instance, some research has explored the impact of ethical leadership on performance separately, while taking into account the role of ethical climate as either a moderator (Schwepker C. H & Schultz R. J., 2015) or a mediator (Shin Y., Sung, Choi, & Kim, 2015) investigated how ethical climate influenced the impact of variables such as pay or customer focus on performance. Other studies specifically focused on exploring the direct correlation between ethical climate and performance.

Less research has been done on the link between ethical environment and trust. When I searched for "ethical climate" and "organizational trust" on PsycInfo and Business Source Complete, in total, a grand sum of five distinct factors have been identified papers. Two of them were dissertation abstracts that don't seem to have been published in a journal.

Positive work outcomes that are beneficial for the organization are associated with both ethical climate and organizational trust, but as far as we know, the two variables are rarely studied together. Studies that looked at the correlation between ethical climate and trust in supervisors has been explored in previous research conducted by (Simha A. & Stachowicz-Stanusch A., 2015). Coworker trust (Ascigil S. F. & Parlakgumus, 2012), and leader trust (Simha A. & Stachowicz-Stanusch A., 2015), have shown Although a correlation exists between these variables, our search yielded only two studies that specifically investigated the connection between ethical climate and organizational trust.

The ethical atmosphere of caring shows that a company cares about everyone who works there. The standard of reciprocity says that when an organization cares about a person or helps them, the person is expected to help the organization back in some way. We think the person could give back by helping the organization and believing that the organization will continue to care about its workers. Studies of corporate trust also show that showing concern, kindness, and helpfulness are important for building trust (Briggs E., Jaramillo F., & Weeks, 2019). So, A strong association is expected between a compassionate ethical climate and trust within an organization.

The ethical climate characterized by rule adherence places significant emphasis on the importance of company rules and procedures, with the expectation that all employees strictly comply with the established policies. These policies and procedures aim to create a dependable environment, enabling employees to navigate different situations with clarity. When organizations consistently adhere to company policies in a predictable manner, instilling a sense of safety in the workplace, employees are more inclined to follow the policies themselves and develop trust in the organization's consistent behavior.

(Choi S.B., Ullah S. M. E., & Kwak, 2018) found that a more positive view of CSR was linked to a more optimistic perspective on the ethical climate. Those who had A more favorable perception of the ethical climate. also had a more positive view of success. In a similar way, (Chi & Chi, 2019) found that employees' views and attitudes about CSR were linked to How they perceive the ethical climate. Employees' perceptions of corporate social responsibility (CSR) were found to be associated with each of the five ethical climate types: caring, instrumental, independence, rules, and law and code. These findings were consistent with the results reported by (Shafer, 2018). Which showed that CSR, social responsibility, and corporate ethics were all linked to how people felt about the ethical environment.

Similar findings were reported by (Chang K., Kim, & Ying, 2014), indicating that employees were more appreciative of a perceived ethical environment, especially when it came to rules, laws, and codes, and had a more positive view of CSR. In their study, (Powell S. M., Davies, & Norton, 2017) discovered that individuals who valued caring, independence, adherence to laws and codes, and adherence to rules exhibited more favorable attitudes and beliefs towards corporate social responsibility (CSR) and

socially responsible behaviors. On the other hand, those who prioritized instrumental motives displayed significantly reduced levels of favorable attitudes and beliefs towards CSR and socially responsible actions.

According to (Hansen S. D., Dunford B. B., Alge, & Jackson, 2015), employees often form their perceptions of CSR based on the ethical climate prevailing in their work environment. Likewise, (Powell S. M., Davies, & Norton, 2017) found that positive attitudes and emotional commitment towards the organization's CSR initiatives were fostered by ethical climates characterized by caring, independence, law and code, and rule adherence. In particular, (Shafer, 2018) found that cultures that put a lot of stress on being kind, like caring and independent cultures, were more likely to make employees feel emotionally connected to the organization's CSR efforts, which made them feel better about CSR. On the other hand, work environments that put a lot of emphasis on following rules, laws, and codes These ethical climates were found to create an environment where employees were motivated and empowered to develop a positive disposition towards CSR initiatives.

The research conducted by (Abdullah, Ali, & Thanasinge, 2017) discovered a positive association between ethical climate and employee engagement and performance. Those who thought their workplace was more ethical were more engaged at work than those who thought it was less ethical. (Anggraeni, 2019) Moreover, a positive correlation was identified between the perceived ethical climate and employee engagement. Individuals with a stronger perception of an ethical climate demonstrated higher levels of engagement with their work and commitment to the organization compared to those with a weaker perception of ethical climate. In a similar vein, the study conducted by (Engelbrecht A. S., Heine, & Mahembe, 2018) revealed a significant and beneficial relationship between ethical climate and employee engagement. They found that employees who thought their workplace was more ethical had more energy, interest, and commitment to their work.

In a comparative study by (Mugenda & A.G, 2003), the five distinct ethical climate types were examined. The findings indicated that ethical climates characterized by caring, law and code, and independence were associated with higher levels of employee engagement compared to the instrumental climate. Additionally, caring, law and code, and independence climates demonstrated a stronger ability to explain variations in employees' work effort and job interest. Similarly, (Harms, 2017)

discovered that caring, independence, and climates governed by rules, laws, and codes exhibited higher levels of work engagement, whereas the instrumental climate exhibited significantly lower levels of work engagement.

(Anggraeni, 2019) said that creating an ethical climate, especially When organizations demonstrate concern for the well-being of both employees and customers, as exemplified by the caring climate, it tends to result in increased levels of employee engagement and improved work effectiveness. This is primarily attributed to the organization's endorsement of behaviors that align with its ethical principles and values. But earlier studies found that employee engagement was much lower in the instrumental climate. If employees think that serving their own interests or the interests of the company is the norm, they are less likely to show dedication, vigor, and interest in their job without a specific goal that aligns with their own interests or the interests of the company (Harms, 2017).

(Shuck, Adelson, & Reio, 2016) deconstructed employee engagement into three components: cognitive engagement, behavioral engagement, and emotional engagement. Cognitive involvement means using a lot of mental energy to get something done, especially through concentration, attention, focus, and other types of mental energy. Emotional involvement means being ready to put emotional energy into a goal, especially by showing a strong emotional connection to the work's mission or purpose. Behavior engagement is the purpose or drive to act in a certain way to improve performance, such as by being willing or ready to put in more effort or work harder.

The ethical climate of an organization will affect how employees should act and behave in that organization. It will also show what beliefs and values are held in common, and it can shape how employees act in an organization and help them figure out what is right and wrong. This will improve the business performance of the organization and make employees happier. Organizational ethical climate is related to how workers think, what they plan to do, and how they act ethically at work, as well as when they focus on ethical instructions and do ethical things. Even though knowledge management can affect and support organizational effects, it is not expected that workers will stop coming up with their own ideas and innovations in their daily work (Tseng & Fan, 2019).

4. Relationship Between Ethical Standards and Performance

Nze (2016) looked at how business ethics and corporate social responsibility (CSR) affect company organization in Nigeria. The research revealed that banks adopted ethical principles to elevate their standards and enhance societal acceptance. The favorable outcomes of corporate social responsibility (CSR), including improved public perception, customer loyalty, reduced regulatory issues, and increased revenue, contributed significantly to the organizations' success. The recommendations emphasize the importance of prioritizing business ethics and CSR within corporate entities, emphasizing the need for dedicated attention and efforts in these areas. Furthermore, establishing ethical guidelines and regulations regarding CSR is advocated to provide guidance and channel efforts towards leveraging them for organizational success.

(Turyakira, 2018), the primary aim was to investigate the ethical behaviors of small and medium-sized enterprises (SMEs) operating in developing nations. The study's objectives involved evaluating different facets of business ethics, determining its importance for SMEs, examining ethical predicaments and difficulties encountered by these enterprises, particularly in developing countries, and suggesting potential approaches to tackle such dilemmas and challenges. To achieve this, recent peer-reviewed articles from reputable journals were analyzed to gain insights into the nature of business ethics, its importance for SMEs, the ethical dilemmas and challenges encountered by them, and the suggested approaches for effectively managing these ethical dilemmas and challenges. Businesses no longer have the money to ignore business ethics. Businesses fail all the time because of unethical behavior, especially on the part of workers and top executives. This study adds to what is already known about how SMEs in developing countries act ethically. So, The insights provided in this study can be utilized by SME owners and managers to establish comprehensive ethical policies and frameworks. By doing so, they can enhance their organizations' reputations and gain a competitive edge in the market.

In their study carried out in 2016, Dim and Edwin aimed to investigate how business ethics influence the long-term sustainability of small and medium-sized enterprises (SMEs). The research adopted a survey methodology, gathering data from 219 employees working in nine SMEs located across all three regions of Rivers State. A questionnaire based on a five-point Likert scale was utilized as the primary data

collection tool, and the statistical analysis was performed using SPSS version 20.0 software. Using the Non-Parametric Kruskal Wallis (H) test. The most important result was that ethical business practices have a big effect on SMEs' ability to stay in business. The findings of the study revealed a positive correlation between the three examined factors of business ethics and sustainability. The p-values for the three hypotheses, namely 0.001, 0.001, and 0.000, were all below the significance level of 0.05. So, it's recommended that small and medium-sized businesses (SMEs) build up the skills they need to make ethical practices a permanent part of how they do business. This may be met with resistance from workers, but it's a good way to keep a business going.

(Alanazi, 2013) says that if you want your business to do well, you need to follow some business ethics standards. This is because the performance of the company and the business as a whole depend on it. He also says that in a group, it's important for everyone to get along, both with the boss and with each other.

(Abu samak, 2017) says that there is a link between ethical standards in business and how well employees do their jobs. The study shows that ethics is a big part of how profitable a company is and helps set rules for how employees should act. (Brigata.T, 2015) says that business ethics has a direct link to how well employees do their jobs and how well the company does as a whole.

Idris and Alegbeleye looked at discipline and the efficiency of organizations: In a study conducted in 2015, the Nigeria Customs Service (NCS) was examined to investigate the impact of discipline on organizational efficiency within the public sector, specifically focusing on the NCS. The primary objective was to determine whether a correlation exists between discipline and the performance and effectiveness of individuals within the NCS. The research employed a descriptive survey and case study methodology, with a sample of 130 participants selected from the NCS Ikeja Command using simple random sampling. Self-administered questionnaires were utilized to collect data, and the chi-square goodness of fit statistical method was employed with the assistance of an Excel spreadsheet. The findings highlighted the significance of maintaining a high level of discipline within the organization, while also identifying Godfatherism and loyalty as contributing factors to undesirable behavior within the NCS. The study recommends the establishment of a disciplinary records system and emphasizes the importance of familiarizing new employees with

the organization's goals, objectives, rules, and regulations. The study concludes that discipline should begin with self-discipline and be perceived as a means of corrective action and enforcement of standards, rather than solely a punitive measure. While the study was well-structured and comprehensive, it would have benefited from providing a model specification that simplifies the relationships between various factors for a more accessible understanding by the average reader.

In Kenya, (Anthony, 2017) did a study that looked at how discipline management affected staff performance in the county education office of Turkana County. The main goal of the study was to find out how punishment management affects how well employees do their jobs in Kenya. With the help of a questionnaire with a sample size of 171 workers, first-hand information was used. Also, both numeric and qualitative data were used, and SPSS and multiple linear regression analysis were used to look at them. The study's results showed that workers were promoted when they were managed in a strict way. This study gives evidence about business ethics from a particular firm.

(Johnson, 2007) studied 185 employees in Lagos State to find out how much ethical leadership has affected employee performance. The research employed a survey-based approach, with the questionnaire serving as the primary instrument for data collection. The study used the non-parametric chi-square method, and it was found that leadership ethics has had a big effect on how well employees do their jobs.

(Umadi, 2016) did another study in Lagos State on the relationship between leadership ethics and how on-time employees are. Regression analysis was used to study a group of 120 employees, and it was found that leadership ethics have a strong relationship with how on-time employees are. Eze (2013) did a study in Enugu State to find out how leadership ethics affect how committed employees are. The study looked at 230 employees and used the Z-test as a statistical tool. The results showed that leadership ethics make employees more committed.

5. Relationship Between Ethical Leadership and Performance

(Assaed A, Azlan N. B., & A., 2016) looked into the link between ethical leadership and how well an organization does, as well as the role that corporate social responsibility plays in bringing these two relationships together. Through the analysis of survey data obtained from both public and private banks in Pakistan, the researchers

determined that ethical leadership exerts a beneficial influence on corporate social responsibility (CSR), subsequently leading to enhanced company performance. In addition, the study revealed that the presence of corporate social responsibility (CSR) acted as a factor in maintaining equilibrium in the association between ethical leadership and organizational achievement.

In 2018, Agbim conducted a study to examine how ethical leadership influences corporate governance, corporate success, and corporate social responsibility in selected Nigerian deposit money banks. The research utilized survey data and employed a stratified sampling technique to select participants who completed the questionnaire. The collected data was analyzed using linear regression analysis. The study's outcomes underscore the significant role played by ethical leadership in fostering the growth of a strong organization by effectively integrating corporate governance, corporate performance, and corporate social responsibility. The results indicate the noteworthy positive effects of ethical leadership on corporate governance, corporate performance, and corporate social responsibility. As a result, it is crucial for management to exercise caution in selecting and training leaders and followers. Additionally, it is essential to ensure that all stakeholders have equal opportunities to contribute to the formulation of corporate governance principles. Employing ethical leaders, whether through natural inclination or training, is considered the most effective approach to fostering a culture that integrates corporate governance, corporate performance, and corporate social responsibility within the organization.

(Abidin A.F.Z., Hashim H.A., & Ariff, 2017) looked at the role of business ethics in creating wealth and long-term success for companies. The results show that a commitment to ethics is linked to better financial success. The results help make policy by saying that regulators should keep putting an emphasis on a company's commitment to ethics, since this is one of the things that stakeholders look at when figuring out how risky a company is in the capital market.

Muhammad Mustabsar Ahmad and Umer did research in 2016 on how ethical leadership affects how well workers do their jobs. Several studies have looked at how effective employees think their leader is. This study, on the other hand, looks at how an ethical leadership style affects the performance of workers. The goal was to get information from 265 people. Stratified random sampling is employed to introduce

diversity into the study, allowing for the inclusion of perspectives from both seasoned faculty members and recently recruited faculty members regarding the subject under investigation. SPSS software is used to see if the numbers are reliable and if the hypotheses are true. Employees are very important to the organization because they make it easier for the organization to reach its goals. People think that employees are the most important resource for gaining a competitive edge. A good example of an ethical way to lead is when the boss shares power with the people who work for them. So, it makes sense that an ethical boss would inspire his or her employees more, which would make them work better. In addition to looking at the direct link between ethical leadership and how well workers do their jobs, this study will also look at how organizational values affect that link.

(D. Kehinde, 2016). Evidence from three service organizations in Lagos, Nigeria, shows how ethical behavior affects how well an organization does its job. The study uses a quantitative method and has two null assumptions. With the help of the right test statistics, the results were examined. Findings showed that ethical behavior has an effect on how well an organization does, and that ethical behavior that is good has a positive relationship with how well an organization does. Appropriate policy recommendations were made, which company leaders and government officials will find very helpful.

(Vieira, 2017) looked at how being ethical affects a company's ability to make money. Corporate social responsibility has been used as a measure of how well a company acts in a decent way. After looking at the financial measures ROA and PM for the 20 largest civil construction companies in Portugal between 2007 and 2011, we came to the conclusion that ROA is strongly linked to a company's ethical performance. But we couldn't find any data that shows a link between PM and ethical success.

Several studies have shown that ethical leaders not only make their workers behave in an ethical way, but also earn their trust. In fact, the bosses set up social relationships between the people who work for them. Most of the time, ethical leaders have a very positive effect on how their workers do their jobs every day. It's clear that how well workers do their jobs is an important part of an organization and a key factor in the success of that organization. Since a few workers can't change the direction of

an organization on their own, (Abidin A.F.Z., Hashim H.A., & and Ariff, 2017) say that the success of an organization is the sum of the efforts of its workers.

In their 2008 study, "Organizational Commitment: An absence of connection between leadership behavior and organizational performance.," Steyrer, Schiffiger, and Lang tried to find out how the behavior of top executives affected the organizational commitment of middle managers and how that commitment affected how well the company did. In the study titled "The Relationship between Ethical Leadership and Organizational Performance" (Butt A.A, Butt A.N, & Ayaz, 2016), (Abidin A.F.Z., Hashim H.A., & and Ariff, 2017) reached the finding that ethical leadership not only yields positive impacts on employees' attitudes and behaviors but also enhances organizational efficiency.

III. METHODOLOGY

A. Research Design

The study employed a cross-sectional research methodology, which allowed the researcher to gather information about multiple factors simultaneously at a single point in time. Cross-sectional studies are particularly valuable in business, finance, and accounting research, as they enable the examination of variables within financial data reported to test hypotheses. The chosen research design is commendable as it involved collecting data from a population or a representative subset at a specific moment, providing a comprehensive snapshot of the subject matter. This is called cross-sectional data of business ethics and organization success. Using different statistics, the researcher will be able to explain the distribution of scores or measurements over the course of the study with this design. The study used a quantitative method to ask respondents for information. Quantitative research uses numbers to figure out how big something is in relation to other things. It involves counting and measuring events and doing a statistical study of a set of numbers.

B. Case Study

The utilization of case study methodology involves the examination of one or more cases, which serve as instances, contexts, or scenarios where a particular problem or event can be investigated. The researcher's responsibility is to establish the boundaries and scope of the case, determining what is included and excluded from the analysis (Yin R. K., 2018). Case studies can be combined with other research methods, such as ethnography, grounded theory, or phenomenology. In such studies, researchers adopt alternative frameworks to enhance the description and execution of the study. Case study methodology is regarded as a distinct method due to its specific approaches for data collection and analysis. It is employed across various disciplines within the social sciences. Case study research has two goals: (1) to describe something and (2)

to show how it applies to theory (Mills A. J., Durepos G., & Wiebe, 2010). Rich explanation helps people understand the case better or in more depth.

For this study, The New Kabul Bank stands as the largest commercial bank in Afghanistan, operating an extensive network of 116 branches nationwide. With its establishment in the Afghan banking sector, the New Kabul Bank has gained a reputation as the premier financial institution. Our presence in Afghanistan holds significant significance and value. It has helped us become one of the top private banks and has given our business a lot more value. The study will take place at the bank's main office. The bank was picked because it offered a wide range of activities, and the company's performance was pretty average, which is why the study was done.

The researcher wants to get information here because it is easy for the researcher to get there and because the company has a lot of important workers, so the researcher needs to bring up ethical issues in the bank.

C. Study Population

(Mugenda & A.G, 2003) A person's target group is all of the people or things that are being studied. The study is for the people who work at New Kabul Bank. They were asked to explain what they thought about the ethical climate, ethical standards, ethical standards, and company performance in the business world. The study is for both managers and people who don't run the company. The workers of the New Kabul Bank are the focus of the study. The bank's human resource report says that there are 1572 employees.

D. Sample Size

Sample size is an important part of the study because the sample is meant to tell us something about the whole population. The sample size is the number of people who are included in a sample. These people are part of the whole community. The Slovene (1960) method was used to figure out the size of the study's sample, which was based on a confidence level of 95% and a margin of error of 0.065. This is how the Slovene method is written: Slovene's Formulan=
$$= \frac{N}{1+N(e)^2}$$

$$= \frac{1572}{1 + 1572(0.065)^2}$$

$$n = \frac{1572}{1 + 1572(0.004225)}$$

$$n = \frac{1572}{7.64}$$

$$n = 207$$

N= Number of populations

n= Sample

e= Standard error at 95% confidence level

The sample population is 207 respondents.

E. Sampling Procedure

The people who took part in the study were chosen using both simple random sampling and purposeful selection. Simple random sampling is best because it eliminates bias and gives each person in the community an equal chance of being chosen. Amin, (2005). In particular, the researcher will use a rotary method in which he gets a list of all New Kabul Bank workers and then puts them in alphabetical order. He chose the third person on the list, and so on, until 207 people were chosen. Purposive sampling Key informants were administrative staff, and a purposeful sampling method was used to get qualitative data from them. In this case, the researcher will use his own judgment to choose the key informants, based on his belief that the chosen key informants know a lot about the issue being looked into.

F. Data Collection Methods

1. Survey Method

Before starting to collect data, the researcher made sure he had everything he needed, including a letter of reference from the University. To figure out what the study was all about, the local leaders in the area were asked to take part. After getting

permission, the researcher gives the surveys to the sampled people in person and talks with them in focus groups. The survey method is used to get the information from the people for the study. A survey method is looking at a process or asking a small group of people questions to find out about a service, product, or process. Data collection polls ask a specific group of people about their thoughts, actions, or what they know. First, the questionnaire items were put into an electronic poll form on a website. The link to the poll was then sent to the email address of each participant. In the emails, there was a letter that said what the goal of the study was. When people clicked the link to the survey and gave their answers, data about their desire for change and how they felt about their jobs was instantly saved. The people who took part were told that all of their information would be kept private and only used for study. The URL for the survey was live for 20 days, and 207 responses were full enough to be analyzed.

G. Data Collection Instruments

1. Questionnaire

When using a questionnaire to get raw data, researchers can ask structured questions on a five-point Likert scale to get the most important information from respondents. To get their answers, hard copies of the surveys were given to the target respondents in person, and soft copies were sent to the target respondents via e-mail. There are two main parts to the planned instrumental questions. In the first part, the goal is to find out about the respondents' demographics and profiles. In the second part, which is closed-ended, the objective is to ascertain individuals' viewpoints regarding the impact of business ethics on the performance of organizations. Participants were requested to indicate their level of agreement or disagreement by selecting one of the five options on the Likert scale, which spans from "strongly agree" to "strongly disagree." The interval, nominal, and ordinal scales that were used for the study. An interval scale of measurement is characterized by equally spaced ordered intervals, where the zero point is not inherently meaningful. On the other hand, a nominal scale of measurement is employed for categorical data, while an ordinal scale of measurement is utilized for categorical data that incorporates scores and ordered values. (Mugenda O. a., 1999) say that a questionnaire is easy to use, saves money when collecting data, helps collect quantitative data, and is convenient when collecting data.

H. Data Quality Control

1. Validity of Instrument

To assess the reliability of the research instrument, the researcher formulated research inquiries aligned with the objectives and inquiries of the study. Then, he or she put those questions in the questionnaire. To make sure the questionnaire was valid, my boss looked over each question to see if it was relevant. To prove that the questionnaire was valid, the researcher used a Content Validity Index (CVI) test to see if the questions were valid. The following method will be used to figure out the CVI:

$$\text{CVI} = \frac{\text{Items rated relevant/Very relevant by both rates (3 or 4)}}{\text{Total number of items in the instrument}}$$

Total number of items in the instrument

If the computed CVI is higher than 0.7, it indicates that the research instruments have been deemed valid by the experts. Thus, the research instrument is considered valid due to the CVI exceeding the threshold of 0.7.

2. Reliability of Instrument

Based on the research questions, the Cronbach's Alpha Coefficient (CAC) was used to test all of the factors shown in these grouped research items of the questionnaire. Because of this, the SPSS reliability test gives a CAC output that shows how reliable the tools are. Reynaldo (1999) says that a study tool is reliable if it falls between 0.7 and 1.0. Quantitative data were checked for accuracy with the Cronbach's Alpha Reliability Coefficient for Likert-Type Scales test. It was done to find the Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. When the test is done, the results that are 0.7 or higher will be thought to be accurate. In the addition of the final report, the results of the Cronbach test were given.

I. Method of Data Analysis

The process of data analysis involves comprehending and deriving meaning from the vast volume of information that has been gathered. After getting all the needed data, it will be written, edited, analyzed, and rephrased to get rid of mistakes and make sure everything is the same. Data was taken from the respondents and put into a computer. The data analysis was conducted using Statistical Package for the Social Sciences (SPSS) Version 20, enabling the consolidation, and expediting of data

analysis by summarizing the encoded information. Through a comprehensive examination employing descriptive and inferential statistics, the questionnaire data was meticulously examined, summarized, and assessed. Frequencies, true percentages, means, and the standard deviation are all parts of descriptive statistics. These were used to summarize the demographic information about the people who filled out the questionnaires, as well as the information about employee commitment and organization success that came from the practices part of the questionnaires. Simple regression analysis was used to figure out how representative the sample was and draw conclusions about the relationship between business ethics (independent variables) and organizational success (dependent variable).

I. Ethical Considerations

The researcher acknowledged the respondents' right to remain anonymous by making sure that the respondents and the information they gave were kept secret. This will be done by making sure that the information they were given was only used for academic reasons and that no one else knew who they were. In the beginning of the interview, this was brought up.

Citations and references have been used to give credit to all of the sources of writing. Last, neutrality was taken into account when writing the report to avoid any personal bias.

The researcher asked the University for permission to collect data in the area he or she was interested in. The expert made sure and told the people who answered that their answers would be kept secret.

The researcher got permission from the authorities to talk to their citizens and also talked to the people who took care of them. The researcher told the people in the study area what the goals of the study were, why the subjects were chosen, and what the benefits, drawbacks, and risks of the study were. He also asked if they had any questions about the study.

J. Limitations of the Study

Language Barrier: The surveys were written in English, so it's possible that some of the people who filled them out had trouble understanding them. To get around

this problem, study assistants used to translate the information for the respondents and make questionnaires in both English and the local language.

Some people don't like researchers, and most people who reply to surveys don't like researchers. This study, on the other hand, made it clear to the people who took part that it was only for academic reasons and tried to get them to volunteer voluntarily.

The cost of the study is high, especially when you consider how much it already cost to get relevant paper, printing, and other works. The problem with money was solved by getting help from other people, like family and friends.

Respondents' busy lives meant they didn't have much time, so the problem was solved by making sure the researcher had enough time and could focus well.

IV. FINDINGS

The goal of the study was to find out how business ethics affect the performance of a company. A case study of the New Kabul Bank in Afghanistan was used to do this. The goals were to find out if there was a link between an organization's ethical climate and how well it did, then to find out if there was a link between an organization's ethical standards and how well it did, and finally to find out if there was a link between an organization's ethical leadership and A case study of Afghanistan's New Kabul Bank. Based on the information gathered from the study, the results of the study are given in the assessment for the grounds of the results. This is called the study's findings. The results are given based on the response rate, biographical information about the respondents, descriptive figures about frequency and percentages, and finally a correlation analysis to find out how the variables are related. The information was gathered from 207 people who filled out and sent back the questionnaires within the time frame given. This means that the answer rate was 100%.

A. Profile of Respondents

The participants were asked to provide information about their gender, age, level of education, and length of employment. The responses were subsequently analyzed using frequency counts and percentage distributions, which are displayed in Table 4.1.

Categories		Frequency	Percentages
Gender	Male	171	82.6
	Female	36	17.4
Age	20- 29 Years	63	30.4
	30- 39 Years	91	44.0
	40- 49 Years	45	21.7
	50 Years and above	8	3.9
Education	Certificate	2	1.0
	Diploma	7	3.4
	Bachelors	126	60.9
	Master's and above	72	34.8
Experience	1-5 Years	52	25.1
	5-9 Years	64	30.9
	10-14 Years	77	37.2
	15 years above	14	6.8
Total		207	100.0

Table 1: Demography of Respondents

In this regard, In order to ensure a balanced representation and minimize potential biases, the researcher examined the gender variable within the research study. The results indicated that out of the total participants, 171 individuals (82.6%) were male, while 36 individuals (17.4%) were female. The findings demonstrate that the study had a higher participation rate among males compared to females. It implied that the majority respondents were males because they were the ones highly affected by the respondents.

Table 4.1 also shows how the ages of the people who took part in the study were spread out. Age was thought to be one of the most important factors in understanding how people felt about certain topics. Age shows how mature a person is, so it's important to look at age when judging responses. The table shows that most respondents were between the ages of 20 and 29 (30.4%), between 30 and 39 (44%), 40 to 49 (21.7%), and between 50 and 59 (3.9%).

In table 4.1, the results show how much education the people who took part in the study had. So, the researcher looked into the education variable. The study shows that most respondents (126, or 60.9%) had a bachelor's degree or higher, while 72, or 34.8%, had a master's degree or higher. The study's results show that most of the people who filled out the questionnaires were understudied because they had at least some level of schooling and were, therefore, understudied.

Lastly, the data in Table 4.1 showed that the staff had a lot of working experience. The results show that most of the people who answered had lived in the study area for 10 to 14 years or longer, which was 77 (37.2%). There were also 64 (30.4%) people who had lived there for 5 to 9 years, 52 (25.1%), and 14 (6.8%) people who had lived there for 1 to 5 years. The results showed that the respondents had been working at the bank for more than a year, and the information gathered showed that the respondents were fully informed.

B. Factor Analysis

The purpose of this analysis is to identify the key factors that significantly influence business ethics and organizational performance in New Kabul Bank. To assess the suitability of the factors, those with principal component factor weights above 0.6 are considered suitable for explaining the overall fit before conducting actual testing in the model, the tests for factor analysis are provided in the following subsections.

Name of Factor	Question Code	Question statement	Factor Weight	% of Variance
Ethical Climate	EC1	1. Within this organization, individuals are expected to adhere to their own personal and ethical convictions.	0,759	50,633
	EC2	2. There is no space for personal morals or ethics in this company.	0,682	13,938
	EC3	3. Strictly adhering to the company's rules and procedures is of utmost importance here.	0,680	13,003
	EC4	4. The primary focus lies on the well-being of all individuals within the company.	0,669	9,864
	EC5	5. People are anticipated to prioritize compliance with the law and professional standards above all other considerations.	0,780	4,687
	EC6	6. Our primary concern in this company is consistently acting in the best interest of others.	0,813	4,256
	EC7	7. Employees in this bank are required to abide by professional standards.	0,454	2,925
	EC8	8. It is expected that customers always prioritize what is right for both themselves and the public.	0,790	0,694
Eigen Value 4.051 and the explained variance is 50.633% and Cronbach's Alpha 0.828				
Ethical Standards	ES1	In this bank, high standards of ethics are encouraged and promoted	0,642	49,046
	ES2	I access the code of conduct and ethical document at all times	0,742	16,501
	ES3	The ethical standards are developed in appropriate consultation of the employees	0,750	12,516
	ES4	I have attained sufficient training sessions on ethical standards in this bank	0,827	7,647
	ES5	Employees have access to a sufficient support system for seeking guidance regarding the Code of Conduct.	0,740	6,007

	ES6	The Code of Conduct provides explicit instructions on how to uphold elevated levels of conduct.	0,724	3,507
	ES7	I have confidence that the majority of Members adhere to the Code of Conduct and disclose relevant interests when needed.	0,679	2,391
	ES8	Ethical standards are effectively implemented in this bank	0,425	2,385
Eigen Value 3,924 and the explained variance is 49.046% and Cronbach's Alpha 0.832				
Ethical Leadership	EL1	My leader establish trust in his/ her relationship with employees	0,628	58,773
	EL2	My leader follow procedures and rules	0,697	13,182
	EL3	My leader speaks against unfair practices in the bank	0,779	9,964
	EL4	My leader (s) protect each employees' rights and dignity	0,858	6,603
	EL5	My leader allocates time to attentively listen to individuals impacted by a given situation.	0,828	5,192
	EL6	My leader promote dialogue on contentious issues	0,801	3,392
	EL7	My leader advocate for greater social justice	0,819	1,818
	EL8	The statutory and legal framework are effectively followed	0,693	1,075
Eigen Value 4,702 and the explained variance is 58.773% and Cronbach's Alpha 0.895				
Organization Performance	OP1	You express contentment with the financial gains and losses of the company.	0,892	75,033
	OP2	New Kabul bank is achieving the desired profit target	0,859	8,915
	OP3	The Bank has attained increased in the sales revenue	0,884	5,490
	OP4	The customer base of the bank has generally increased	0,914	4,013
	OP5	The bank attains revenue above their targets	0,876	3,183

	OP6	The bank has attained increase on the returns of assets	0,907	1,805
	OP7	The returns on revenue employed by the bank has increased	0,715	1,559
Eigen Value 5.25 The explained variance is 75.033% and Cronbach's Alpha 0.937				

Table 2: Factor Analysis

Regarding the ethical climate, there were a total of eight factors identified, out of which seven factors were retained based on their component's matrix exceeding 0.5. All factors with a factor weight of 0.5 or higher were kept. The analysis demonstrates a correlation among the factors, and the cumulative percentage change amounts to 50.633%, indicating a strong relationship between the factor's items.

Regarding ethical standards, eight factors were initially identified, and after examining their component matrix, seven factors were deemed significant with values exceeding 0.5. All factors with a factor weight above 0.5 were retained. The analysis indicates a relationship among the factors, and the cumulative percentage change amounts to 49.046%, suggesting that the items within the factor are closely interconnected.

Regarding ethical leadership, a total of eight factors were identified, and all eight factors were retained as their component matrix values exceeded 0.5. All factors with a factor weight equal to or greater than 0.5 were preserved. The analysis demonstrates a significant relationship among the factors, with an overall percentage change of 58.773%, indicating a close interconnection between the items within the factor.

Regarding organizational performance, seven factors were identified and all seven factors were retained as their component matrix values exceeded 0.5. All factors with a factor weight of 0.5 or higher were kept. The analysis indicates a significant relationship among the factors, with an overall percentage change of 75.033%, suggesting a close interconnection between the items within the factor

C. Reliability of the Instruments

The Cronbach Alpha Coefficient test was used to figure out how reliable the research tools were. In particular, this test covered the study questions that were set up in a systematic way in the questionnaire. Through the results of the questionnaires and a pilot study test of the data gathered from 15 respondents two weeks before the whole research process was carried out. Based on the research questions, the Cronbach's Alpha Coefficient (CAC) was used to test all of the factors shown in these grouped research items of the questionnaire. Because of this, the SPSS reliability test gives a CAC output that shows how reliable the tools are. (Reynaldo, 1999) said that a study tool was reliable if it fell between 0.7 and 1.0. Quantitative data were checked for accuracy with the Cronbach's Alpha Reliability Coefficient for Likert-Type Scales test. It was done to find the Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. When the test is done, data with a score of 0.7 or higher will be thought to be reliable. In the addition of the final report, the results of the Cronbach test were given.

	Cronbach's Alpha	N
Ethical Climate	.828	207
Ethical Standards	.832	207
Ethical Leadership	.895	207
Organization Performance	.937	207
Average	.873	

Table 3: Reliability of the Instrument

(Reynaldo, 1999) stated that a research tool can be considered reliable when its score falls between 0.7 and 1.0. Given that the Cronbach's value exceeded 0.70, it can be concluded that the instrument demonstrated internal consistency, thus affirming its validity. The findings from the study indicate that the questionnaire was reliable for data collection.

D. Correlation Analysis

The purpose of conducting correlation analysis is to evaluate the connection between the variables under investigation, aiming to quantify the degree of association among them. Correlation analysis was performed, and basis of interpretation was the level of significance which was below 0.05 and the argument basis provided for the study to determine the nature of the relationship between the study variables.

Correlations

		Ethical Climate	Ethical Standards	Ethical Leadership	Organization Performance
Ethical Climate	Pearson Correlation	1	.496**	.763**	.600**
	Sig. (2-tailed)		0,000	0,000	0,000
	N	207	207	207	207
Ethical Standards	Pearson Correlation	.496**	1	.636**	.608**
	Sig. (2-tailed)	0,000		0,000	0,000
	N	207	207	207	207
Ethical Leadership	Pearson Correlation	.763**	.636**	1	.711**
	Sig. (2-tailed)	0,000	0,000		0,000
	N	207	207	207	207
Organization Performance	Pearson Correlation	.600**	.608**	.711**	1
	Sig. (2-tailed)	0,000	0,000	0,000	
	N	207	207	207	207

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

Table 4: Correlation Analysis between Variables

Results in Table 4.4 indicated a positive relationship between ethical climate and organization Performance in New Kabul Bank. The significance value was .0000, which was less than the maximum value of significance of 0.05. The results are explained with the R-value of 0.600 of the study.

Results in Table 4.4 further indicated a positive relationship between ethical standards and organization Performance in New Kabul Bank. The significance value was .000, which was less than the maximum value of significance of 0.05. The results are explained with the R-value of 0.608 of the study, the findings indicate that ethical standards are not statistically related to the performance of the bank.

Finally Results in Table 4.4 indicated a positive relationship between ethical leadership and organization Performance in New Kabul Bank. The significance value was .0000, which was less than the maximum value of significance of 0.05. The results are explained with the R-value of .711 of the study. The findings indicate that ethical leadership are statistically related in performance of New Kabul bank indicating that increased ethical leadership generate the performance of New Kabul Bank.

E. Objective One: Relationship between ethical climate and organization performance, a case study of New Kabul Bank, Afghanistan

The primary aim of the study was to establish the correlation between ethical climate and organizational performance, a case study of New Kabul Bank, Afghanistan. In order to fulfill this objective, the researcher conducted simple regression analysis to test and measure the achievement of the objectives. As presented in Table 4.6:

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.600 ^a	0,360	0,357		0,32801	
a. Predictors: (Constant), Ethical Climate						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12,387	1	12,387	115,126	.000 ^b
	Residual	22,057	205	0,108		
	Total	34,443	206			
a. Dependent Variable: Organization Performance						
b. Predictors: (Constant), Ethical Climate						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,090	0,277		3,928	0,000
	Ethical Climate	0,655	0,061	0,600	10,730	0,000
a. Dependent Variable: Organization Performance						

Table 5: Relationship between ethical climate and organization performance in New Kabul Bank, Afghanistan

Findings in Table 4.5 present findings on the relationship between ethical climate and organization performance in New Kabul Bank, Afghanistan. The findings from the study had the r-value of .600 known as a determinant rate which indicates that ethical climate had a 60% effect on the performance of New Kabul bank, Afghanistan. The standard Error of the Estimate for the study .32801 shows that there exists closeness of the data for the study.

In the analysis for the variance on the relationship between ethical climate and organization performance in New Kabul Bank, Afghanistan, the study findings provided that the F-value for the study was 115.126, the P-value for the study was 0.000 which is interpreted a statistically significantly related. The results of the study reveal a statistically significant association between ethical climate and organizational

performance. New Kabul bank signifying that the occurrence generates the performance of the bank.

Based on the coefficients of determination for the variables of the study on the relationship between ethical climate and organization performance in New Kabul Bank, Afghanistan, the p-values for ethical climate and that of organization performance were .000 and .000 respectively implying that a statistically significant effect was detected between the variables of the study. The hypothesis H1, which posits a positive impact of ethical climate on organizational performance, was supported by the findings. This is evidenced by the fact that all the p-values in the study were below the significance level of 0.05. The results demonstrate a statistically significant correlation between ethical climate and the performance of New Kabul Bank.

F. Objective Two: Relationship between ethical standards and organization performance, a case study of New Kabul Bank, Afghanistan

The second objective of the study set to determine the relationship between ethical standards and organization performance, a case study of New Kabul Bank, Afghanistan. In order to fulfill this objective, the researcher conducted simple regression analysis to test and measure the achievement of the objectives. As presented in Table 4.6:

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.608 ^a	0,370	0,367		0,32535	
a. Predictors: (Constant), Ethical Standards						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12,743	1	12,743	120,381	.000 ^b
	Residual	21,700	205	0,106		
	Total	34,443	206			
a. Dependent Variable: Organization Performance						
b. Predictors: (Constant), Ethical Standards						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,435	0,331		1,314	0,190
	Ethical Standards	0,902	0,082	0,608	10,972	0,000
a. Dependent Variable: Organization Performance						

Table 6: Relationship between ethical standards and organization performance in New Kabul Bank, Afghanistan

Findings in Table 4.6 present findings on the relationship between ethical standards and organization performance in New Kabul Bank, Afghanistan. The findings from the study had the r-value of .608a known as a determinant rate which indicates that ethical standards had a 60.8% effect on the performance of New Kabul

bank, Afghanistan. The standard Error of the Estimate for the study .32535 shows that there exists closeness of the data for the study.

In the analysis for the variance on the relationship between ethical standards and organization performance in New Kabul Bank, Afghanistan, the study findings provided that the F-value for the study was 120.381, the P-value for the study was 0.000 which is interpreted statistically significantly related. The study's findings suggest that there is a statistically significant association between ethical standards and the performance of New Kabul Bank. Signifying that the occurrence generates the performance of the bank.

Based on the coefficients of determination for the variables of the study on the relationship between ethical standards and organization performance in New Kabul Bank, Afghanistan, the p-values for ethical standards and that of organization performance were .000 and .190 respectively implying that while the constant term does not provide strong evidence of a significant effect, the ethical standards variable appears to be highly significant and has a substantial impact on the model or analysis. The hypothesis H2, which suggests a positive impact of ethical standards on organizational performance, was validated based on the findings. This conclusion is supported by the fact that all the p-values in the study were below the significance level of 0.05. The results establish a statistically significant correlation between ethical standards and the performance of New Kabul Bank.

G. Objective Three: Relationship between ethical Leadership and organization performance, a case study of New Kabul Bank, Afghanistan

One of the main goals of the study was to assess the correlation between ethical leadership and organizational performance, a case study of New Kabul Bank, Afghanistan. In order to fulfill this objective, the researcher conducted simple regression analysis to test and measure the achievement of the objectives. As presented in Table 4.7:

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.711 ^a	0,506	0,503		0,28820	
a. Predictors: (Constant), Ethical Leadership						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17,416	1	17,416	209,690	.000 ^b
	Residual	17,027	205	0,083		
	Total	34,443	206			
a. Dependent Variable: Organization Performance						
b. Predictors: (Constant), Ethical Leadership						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,038	0,209		4,959	0,000
	Ethical Leadership	0,729	0,050	0,711	14,481	0,000
a. Dependent Variable: Organization Performance						

Table 7: Relationship between ethical Leadership and organization performance in New Kabul Bank, Afghanistan

Findings in Table 4.7 present findings on the relationship between ethical leadership and organization performance in New Kabul Bank, Afghanistan. The findings from the study had the r-value of .711 known as a determinant rate which indicates that ethical leadership had a 71.1% effect on the performance of New Kabul bank, Afghanistan. The standard deviation for the study .28820 shows that there exists closeness of the data for the study.

In the analysis for the variance on the relationship between ethical leadership and organization performance in New Kabul Bank, Afghanistan, the study findings provided that the F-value for the study was 209.690, the P-value for the study was 0.000 which is interpreted as statistically significantly related. The results of the study reveal a statistically significant association between ethical leadership and

organizational performance, of New Kabul bank signifying that the occurrence generates the performance of the bank.

Based on the coefficients of determination for the variables of the study on the relationship between ethical leadership and organization performance in New Kabul Bank, Afghanistan, the p-values for ethical leadership and that of organization performance were .000 and .000 respectively implying that a statistically significant effect was detected between the variables of the study. The hypothesis H3, which proposes a positive impact of ethical leadership on organizational performance, was supported by the findings. This conclusion is supported by the fact that all the p-values in the study were below the significance level of 0.05. The results establish a statistically significant correlation between ethical leadership and the performance of New Kabul Bank.

V. DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

This chapter provide a discussion of findings, concludes the findings, after which it offers its recommendations. A chapter is a conclusive form of the entire thesis. The conclusions and recommendations for the study are provided.

A. Discussion of Findings

1. Relationship Between Ethical Climate and Organization Performance, a Case Study of NKB, Afghanistan

The study found that ethical climate is statistically related with the performance of New Kabul bank of Afghanistan. The p-values for ethical climate and that of organization performance were .000 and .000 respectively implying that a statistically significant effect was detected between the variables of the study. The findings from Choi, Ullah, and Kwak (2018) align with the present study, The study revealed a positive connection between ethical climate and favorable attitudes towards corporate social responsibility (CSR). Individuals who perceived a higher ethical climate showed more positive attitudes towards performance. Similarly, Abdullah, Ali, and Thanasinge (2017) found supportive evidence in their research, indicating There is a direct correlation between the ethical work environment and the level of employee engagement and performance. Employees who perceived a higher ethical climate demonstrated higher levels of engagement at work compared to those with lower perceptions. Moreover, Engelbrecht, Heine, and Mahembe's (2014) research aligns with the current study, illustrating A noteworthy and favorable link exists between the ethical atmosphere within a workplace and employee engagement. Those who perceived a stronger ethical climate demonstrated increased levels of enthusiasm, involvement, and commitment to their tasks.

2. Relationship Between Ethical Standards And Organization Performance, A Case Study of NKB, Afghanistan

The study found that ethical standards are statistically related with the performance of New Kabul bank of Afghanistan. The p-values for ethical standards and that of organization performance were .000 and .019 respectively implying while the constant term does not provide strong evidence of a significant effect, the ethical standards variable appears to be highly significant and has a substantial impact on the model or analysis and statistically significant effect was detected between ethical standards and performance of New Kabul bank of Afghanistan. The findings corroborate the research conducted by Abu Samak (2017), which indicates a positive correlation between business ethical standards and employee performance. The study highlights the significant impact of ethics on the organization's profitability and its role in guiding employees' behavior. Even In another study carried out by (Umadi, 2016), in Lagos State on the relationship between leadership ethics and punctuality of the employees, a population of 120 employees was studied using the regression analysis and it was found that leadership ethics have a significant relationship with punctuality of the employees.

3. Relationship Between Ethical Leadership and Organization Performance, A Case Study of NKB, Afghanistan

The study found that ethical leadership is statistically related with the performance of New Kabul bank of Afghanistan. The p-values for ethical leadership and that of organization performance were .000 respectively implying that a statistically significant effect was detected between ethical leadership and organization Performance. The results align with Assaed Azlan and (Muhammad S. M., Mustabsar A., Ahmad T., & Q., 2016) research, which investigated the connection between ethical leadership and organizational performance, taking into account the mediating role of corporate social responsibility. Their study, which collected survey data from both the public and private banking sectors in Pakistan, demonstrated that ethical leadership has a positive influence on corporate social responsibility, and in turn, leads to improved organizational performance. Similarly, the study conducted by Steyrer, Schiffiger, and Lang (2008) supports the current findings, as they explored the impact of executive leadership behavior on the commitment of subordinate managers and its influence on various indicators of company performance. Lastly, (Al Nasser N. &

Osborne A., 2013). emphasizes the need for leadership style to adapt and evolve as projects and processes progress. They note that democratic and participative leadership styles align with ethical conduct, while autocratic leadership styles often lack ethical considerations.

B. Conclusions

1. Objective One

Relationship between ethical climate and organization performance, a case study of New Kabul Bank, Afghanistan

The study found that ethical climate is statistically related with the performance of New Kabul bank of Afghanistan. The p-values for ethical climate and that of organization performance were .000 and .000 respectively implying that a statistically significant effect was detected between the variables of the study.

Based on the findings, the researcher concludes that ethical climate can be embraced in enabling the performance of New Kabul bank in Afghanistan. The findings show that the performance of new Kabul bank can be moderately improved through the performance of New Kabul bank in Afghanistan.

2. Objective Two

Relationship between ethical standards and organization Performance, A case study of New Kabul Bank, Afghanistan

The study found that ethical standards are statistically related with the performance of New Kabul bank of Afghanistan. The p-values for ethical standards and that of organization performance were .190 and .000 respectively implying while the constant term does not provide strong evidence of a significant effect, the ethical standards variable appears to be highly significant and has a substantial impact on the model or analysis and statistically significant effect was detected between ethical standards and performance of New Kabul bank of Afghanistan. The findings conclude that ethical standards have a statically significant relationship with the variables, the study indicate that ethical standards have an embraced significant measure leading to the performance of New Kabul bank

3. Objective Three

The study found that ethical leadership is statistically related with the performance of New Kabul bank of Afghanistan. The p-values for ethical leadership and that of organization performance were .000 and .000 respectively implying that a statistically significant effect was detected between ethical leadership and organization Performance.

Based on the findings, the researcher concludes that ethical leadership can be embraced in enabling the performance of New Kabul bank in Afghanistan. The findings show that the performance of new Kabul bank can be moderately improved through the development of ethical leadership standards in organizations of New Kabul bank in Afghanistan.

C. Recommendations

1. Objective One

Relationship between ethical climate and organization performance, a case study of New Kabul Bank, Afghanistan

Based on the findings, the researcher concludes that ethical climate can be embraced in enabling the performance of New Kabul bank in Afghanistan.

The researcher recommends that ethical climate for the employees can be improved through significant policy mechanisms that manages behaviors of the employees.

Strict monitoring and supervision amongst the employees need to be developed amongst the employees to generate the performance for organization profits and sales revenues.

2. Objective Two

Relationship between ethical standards and organization Performance, A case study of New Kabul Bank, Afghanistan

The findings conclude that ethical standards have a statically significant relationship with the variables, the study indicate that ethical standards have an embraced significant measure leading to the performance of New Kabul bank.

The study recommends that ethical standards need to be set in the bank to determine the ethical expectations of the employees.

There is need for development of procedural guidance to inform and guide employees in enabling them to attain a financial muscle amongst the employees and organizations for the New Kabul bank.

3. Objective Three

Relationship between ethical leadership and organization Performance, A case study of New Kabul Bank, Afghanistan

The study found that ethical leadership is statistically related with the performance of New Kabul bank of Afghanistan. The findings show that the performance of new Kabul bank can be moderately improved through the development of ethical leadership standards in organizations of New Kabul bank in Afghanistan.

Based on the study, the researcher recommends that ethical leadership amongst the leaders in the bank need to be strictly emphasized in order to generate agreement and coherence in their workplace.

There is need for strict procedural stances in the management and control of employees through checks and controls aimed at ensuring effective performance of the employees through leadership stances and schemes.

Management needs to undertake regular training of the employees aimed at ensuring the functionality of the employees in control, management and efficiency systems aimed at ensuring timely operations.

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APPENDICES

APPENDIX-1: Etik Kurul Kararı

APPENDIX-2: Questionnaire

APPENDIX-1: Etik Kurul Kararı

Figure 2: Etik Kurul Kararı

Evrak Tarih ve Sayısı: 13.03.2023-80981



T.C.
İSTANBUL AYDIN ÜNİVERSİTESİ REKTÖRLÜĞÜ
Lisansüstü Eğitim Enstitüsü Müdürlüğü

Sayı :E-88083623-020-80981
Konu : Etik Onayı Hk.

13.03.2023

Sayın MOHAMMAD TAWAB DURZADAH

Tez çalışmanızda kullanmak üzere yapmayı talep ettiğiniz anketiniz İstanbul Aydın Üniversitesi Etik Komisyonu'nun 02.03.2023 tarihli ve 2023/02 sayılı kararıyla uygun bulunmuştur. Bilgilerinize rica ederim.

Dr.Öğr.Üyesi Mehmet Sencer GİRGİN
Müdür Yardımcısı

Bu belge, güvenli elektronik imza ile imzalanmıştır.

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APPENDIX-2: Questionnaire

Dear respondent,

I am a student of Istanbul Aydin university, Institute of graduate studies. You have been purposively selected to participate in this study titled "The impact of business ethics on organizational performance: a case study of new Kabul bank, Afghanistan. Your cooperation in filling this questionnaire will add to the success of the survey. All responses shall be for academic purposes only and will be treated with confidentiality. Thus you do not need to write your name. Please fill this questionnaire and the research assistant will pick it within 5 days.

Thank you.

.....

PART I: FACE SHEET: Profile of Respondents (Please tick any which applies)

1. Gender:

Male

Female

2. Age:

20- 29

30- 39

40- 49

50 Years and above

3. Education level:

Certificate

Diploma

Bachelors

Masters and above

4. Years of Experience

___ 1-5 Years

___ 5-9 Years

___ 10-14Years

___ 15 Years above

Part 2: Business Ethics

Direction: Please write your preferred option on the space provided before each item.

Kindly use the rating guide below:

Response Made	Rating	Description
Strongly Agree (SA)	5	You agree with no doubt at all.
Agree (A)	4	You agree with some doubt
Neutral (N)	3	You are doubtful
Disagree (D)	2	You disagree with some doubt
Strongly Disagree (SD)	1	You disagree with no doubt at all

The use of likert scale were 1= strongly disagree, 2= Disagree, 3= Not sure 4= Agree, 5= Strongly Agree.

		Rankings				
Ethical Climate Scales by John, Bart and James (2008)		1	2	3	4	5
EC1	In this company, people are expected to follow theft own personal and moral beliefs.					
EC2	There is no room for one's own personal morals or ethics in this company.					
EC3	It is very important to follow strictly the company's rules and procedures here.					
EC4	The most important concern is the good of all the people in the company.					
EC5	People are expected to comply with the law and professional standards over and above other considerations					

EC6	In this company, our major concern is always what is best for the other person					
EC7	In this bank employees are expected to follow professional standards					
EC8	It is expected that customers always do what is right for the customer and public.					
	Ethical Standards (Scales by Edwin, Jeff and Tara (2020)					
ES1	In this bank, high standards of ethics are encouraged and promoted					
ES2	I access the code of conduct and ethical document at all times					
ES3	The ethical standards are developed in appropriate consultation of the employees					
ES4	I have attained sufficient training sessions on ethical standards in this bank					
ES5	There is an adequate support network for employees to obtain any advice I require on the Code of conduct					
ES6	The Code of Conduct sets out clearly what I have to do to maintain high standards of conduct.					
ES7	I believe that all Members generally follow the code of Conduct and declare interests when necessary.					
ES8	Ethical standards are effectively implemented in this bank					
	Ethical Leadership Scales by Lyse, Claire, Pierre, and Astrid (2012).					
EL1	My leader establish trust in his/ her relationship with employees					
EL2	My leader follow procedures and rules					
EL3	My leader speaks against unfair practices in the bank					

EL4	My leader (s) protect each employees rights and dignity					
EL5	My leader take time to listen to people affected by a situation					
EL6	My leader promote dialogue on contentious issues					
EL7	My leader advocate for greater social justice					
EL8	The statutory and legal framework are effectively followed					

SECTION C: Organisation Performance

The use of Likert scale were 1= strongly disagree, 2= Disagree, 3= Not sure 4= Agree, 5= Strongly Agree.

		Rankings				
	Organisation Performance by Smith & Blum (2000)	1	2	3	4	5
O1	You are satisfied with company profit and loss.					
O2	New Kabul bank is achieving the desired profit target					
O3	The Bank has attained increased in the sales revenue					
O4	The customer base of the bank has generally increased					
O5	The bank attains revenue above their targets					
O6	The bank has attained increase on the returns of assets					
O7	The returns on revenue employed by the bank has increased					

RESUME