UNIVERSITY OF CAPE COAST

MANAGING BUSINESS ETHICS, AN ESSENTIAL CPOMPONENT OF BUSINESS SUCCESS: A CASE STUDY OF TWIFO HEMANG LOWER DENKYIRA TEACHERS' CO-OPERATIVE CREDIT UNION

BY

STEPHEN YEBOAH - YANKEY

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DECLARATION

Candidate's declaration

I hereby declare that this thesis is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:………………………………… Date:…………………..

Name: Stephen Yeboah-Yankey

Supervisor's declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature:………………………………… Date:………………..

Name: Mr.F. O. Boachie-Mensah

ABSTRACT

The need to do business ethically connot be understated. Besides, managing ethics in business is an uphill task. It for this reasonthat this study was conducted to confirm how ethics is managed in the operations of the Twifo Hemang Lower Denkyira Teachers' Cooperative Credit Union. Participants of the study comprised 14 staff of the Cooperative and 350 members. Staffs of the union were selected purposefully and contributors were selected through the simple random sampling method. An interview guide was the instrument used for data collection. The research design was a descriptive survey, hence, analysis of data was done using descriptive statistics.

The results of the study indicated sound business ethics amounts to doing the right thing in one's business operations. It was seen that the staff and members of the Cooperative had conducted themselves honestly, fairly, openly and with integrity. In spite of the fact that staff had to a greater extent done business ethically, there were a few rough edges. It was therefore suggested that everything should be done to ensure that the code of ethics of Cooperative should be adhered to so that erring staff and members can be dealt with expeditiously to serve as deterrent to others. Above all, the business of the Cooperative must be conducted in accordance with best practices in credit union operations across the world.

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I wish to express my deepest gratitude to a number of people through whose help and assistance this dissertation has seen the light of day. First and foremost, I thank my supervisor Mr. F. O. Boachie-Mensahwho in the midst of his busy scheduled supervised this work towards its conclusion.

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DEDICATION

I dedicate this dissertation to my late mother Madam Mary Kyie and daughter Phyllis Yeboah-Yankey.

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CHAPTER ONE

INTRODUCTION `

Background to the study

A closer observation in the business world show that some successful businesses fail. Sometimes, it is seen that some seemingly effective corporate entities receive a great fall in their profits and popularity (Koehn, 2002). One of the main reasons behind these surprising failures is the lack of business ethics. A true understanding of the right and the wrong and the ability to distinguish between them is ethics. Ethics is an important part of life and running a successful business is no exception to this. To become successful, a business needs to be driven by strong ethical values. The mindset of a businessman creates a mindset for his/her company, which in turn sets the work culture of the business organisation. For a business to prosper and maintain its wealth, it ought to be founded on certain ethical principles. A business that is based on ethics can run successfully for long years. Moneymakers who do not heed to ethical values can only earn a short-lived success. To last long in the market, business ethics is essential (Weiss, 2009).

In the discussion of business ethics, particularly those that relate to financial institutions, the question of fiduciary responsibility cannot be overlooked. This is because fiduciary responsibility is seen as "an obligation to act in the best interests of another party. This type of obligation typically exists when one person places special trust and confidence in another person and that responsibility is accepted" (Cetina & Preda, 2005). This definition of fiduciary responsibility – with its use of the terms “obligation”, “trust” and “confidence” – underscores a fundamental and long-recognised truth: ethics is the bedrock of successful financial intermediation and, by implication, of successful financial systems and market economies. The ability of financial intermediaries to make credible commitments to a certain number of rules and standards of behaviour is the source of investors’ trust and confidence – ethics makes trust possible. For example, in retail financial services, customers’ belief that financial institutions are “ethical” (in the sense that they observe rules for behaviour that protect customers’ interests) makes them willing to entrust these institutions with responsibility for managing their assets. Thus, the ability to credibly commit to ethical behaviour has always been a core business requirement for financial institutions. Recent developments in financial markets attest to the dangers of undermining this ethical foundation and to the heavy costs that are incurred when financial systems do not function effectively (Armstrong, 2002).

At this juncture it is prudent to look at a little historical development of the concept ‘business ethics’. According to Moon (2001), business ethical norms reflect the norms of each historical period. As time passes organisational norms evolve, causing accepted behaviours to become objectionable. Business ethics and the resulting behaviour evolved as well. Business was involved in slavery, colonialism, and the cold war (DeGeorge, 2005; Robotham, 2005).

The term 'business ethics' came into common use in the United States in the early 1970s. By the mid-1980s at least 500 courses in business ethics reached 40,000 students, using some twenty textbooks and at least ten casebooks along supported by professional societies, centers and journals of business ethics. The Society for Business Ethics was started in 1980. European business schools adopted business ethics after 1987 commencing with the European Business Ethics Network (Velasquez, 2005). In 1982 the first single-authored books in the field appeared (Moon, 2001). Bevan (2008) reveals that firms started highlighting their ethical stature in the late 1980s and early 1990s, possibly trying to distance themselves from the business scandals of the day, such as the savings and loan crisis. The idea of business ethics caught the attention of academics, media and business firms by the end of the Cold War (DeGeorge, 2005).

The point is being emphasised again that for many business owners, the single biggest threat to the survival of their businesses is not competition. Rather, in reality, the biggest threat they face is the lack of a comprehensive code of ethics they may not have (Awuah, 2010). According to Wicks (2003), many businesses have gained a bad reputation because they have engaged in certain unprofessional business practices which have cost them dearly. Good business ethics should be a part of every entity, if it wants to stay above the market and gain a good reputation. The ethics of a particular business can be diverse. They apply not only to businesses, but to their one-on-one dealings with customers (Awuah, 2010).

In Ghana, Awuah (2010) emphasises that a lot of businesses are succeeding because of the high reputation they have built over the years. The good reputation the successful companies have attained was probably achieved in the manner in which they conducted their operations. However, quite a sizeable number of businesses, including most of the major conglomerates do not adhere to what would be termed ‘good business ethics’.

In typical industrial experience, George Minta-Jacobs, the Executive Director of Empretec Business Forum gives an insight into what business ethics really means. He notes that ethics deal with what is right or wrong in an organisation, it also has to do with the DOs and DON’Ts in an organisation or a society. Furthermore, the Executive Director indicates that ethics is important not only in business but in all aspects of life since it is the vital part and the foundation on which the society is built. Consequently, he reiterates that a business that lacks ethical principles is bound to fail sooner or later.

It must be emphasised that in Ghana’s business environment, ethical issues are varied depending on the kind of organisation or business. What that business entity requires to do is to set up systems that will check unacceptable conduct among its staff. Thus, many reputable organisations have their own code of ethics that govern the conduct of staff. For instance, the Credit Unions Association (CUA) of Ghana has a code of ethics that its members and managers are exhibited to abide by to ensure sound business practice. Largely it is believed ethical conduct among business manager is at its low ebb these days and it is believed that code of conduct of the CUA Ghana can act as an antidote for moral degeneration. It can also serve as encouragement for ethical behaviour and help with the restoration of values within and among the ranks of the managers of the CUA.

Managers of credit unions have the onerous responsibility of ensuring that the association survives based on sound managerial practices. This is requires that the manager should exhibit good faith in their dealings. It must be emphasised that credit unions are voluntary associations are contribute money in the form of savings in anticipation of harder times for which they could fall on when the need arises. Thus, the people who manage the moneys contributed are invested

Statement of the problem

The purpose of Credit Union system is to enable individuals with a common bond to come together to save money and take loans to develop themselves and their businesses. However, sometimes unfortunately, due to mismanagement, greed and malfeasance, some of the credit union associations go through turbulent times that threaten to collapse them. Credit Unions like other formal entities have managers who have the onerous task of steering affairs of the organisations effectively.

Available literature indicates that managers of Credit Unions are expected to exhibit high sense of ethical behaviour. For instance, Bloomenthol (2002) stresses that it is important that ethical and lawful conduct be evidenced in all credit union practices, in order to protect the reputation and credibility of the organisation and preserve members' trust. On their part, Sudhir and Murthy (2001) indicate that it is prudent to establish a proper Code of Conduct as a first step in demonstrating acceptable conduct among managers. To this end, it has stated that generally a Code of Conduct should address all important ethical issues and legal duties with respect to the behavior and conduct of individual directors, managers and members of the credit union. It should therefore address the following issues: general standard of care of directors and officers, compliance with all applicable laws, confidentiality, conflicts of interest, restricted party transactions, and unethical conduct (Achaempong & Zemedkum, 1995).

Even though the Cooperative Credit Unions Association in Ghana has a code of conduct to guide managers, sometimes the managers have been found wanting. This is because, some of them have been found to forge signatures of accredited signatories to perpetuate fraud against the association. Another accusation is that there have been reported cases of some managers giving loans to cronies without going through the proper channels of advancing loans to members. Overall, others engage themselves in all manner of unethical behaviour such as abuse of the personal privileges of office, enjoyment of secret commissions, receiving of inappropriate gifts, nepotism, employee discrimination and harassment. These unethical acts tend to work against the growth of the organisation and must be unearthed and dealt with. In effect, this study is meant to assess the conduct of the managers of Twifo Hemang Teachers Credit Union with the view to finding out whether there have some degree of unethical behaviour and how they have impacted on the association over the years.

Objectives of the Study

The main objective of the study is to examine whether staff of Credit Unions in Ghana conduct their operations in conformity to sound business ethics. Specifically, the study would:

a. Find out the extent the staff of the Twifo Hemang Lower Denkyira Teachers' Co-operative Credit Union conduct their businesses ethically,

b. Assess whether staff of the Credit Union encounter any challenges in their attempt operate within acceptable business ethics, and

c. Examine measures that can be instituted to ensure that staffs of credit union operate within sound business ethics.

Research Questions

1. To what extent do staffs of Credit Unions in Ghana conform to the code of ethics that govern their operations?
2. What challenges, if any, do Credit Union staffs encounter in the delivery of their stipulated functions?
3. What measures can be put in place to ensure that credit union staffs conduct their businesses ethically?

Significance of the study

It is indisputable fact that sound ethical conduct among staff of financial institutions is sine qua non for the growth of those organisations. In the light of this, it has been seen many successful businesses have not played down on the need for staff to conform to the code of ethics that the entities have formulated and codified. It is on this basis that the results of the study would be beneficial to the staff of the Teachers' Cooperative Credit Union in Twifo Hemang Lower Denkyira District. The results would give a situational report relative to standardised business ethics, which is basis for continuous business growth.

The results of this study would go a long way to add to existing literature on business ethics in Ghana. No doubt that there is a body of knowledge on business ethics but this current study serves as one of the most current for which prospective researchers could use to form the basis of their own research, particularly among credit unions in Ghana.

Delimitation of the study

The study is being conducted among the staff of Twifo Hemang Lower Denkyira Teachers' Cooperative Credit Union. This credit union has membership of 4350 with two branches, the head office in Twifo Praso and the next branch in Hemang. There is a permanent staff of 10 and temporal of 14. Apart from the geographical variables, issues on ethics and moral conduct among staff are of great importance to the results of this study. The views of clients on the conduct of staff of the credit union would be taken on board for a thorough assessment of the topic under study.

Limitations of the study

It would have been ideal if the business ethics of two separate Teachers' Cooperative Credit Unions had been studied. That would have allowed for possible comparison and objective assessment of the situation as prevails in the developed world. This would not be possible because time available to the student researcher is limited and this would allow for larger geographical space to be covered within the shortest possible time. This is also coupled with the limited funding arrangement for this researcher. If everything was ideal, adequate funding would have allowed for the hiring of a higher number of research assistants to aid in data collection but that would not feasible under the current situation. These and other unforeseen technical challenges act as limitations to the findings of this study. In spite of the unavoidable challenges that serve as limitations, every scientific step would be taken to ensure that the results are generalisable to the study population.

Organisation of the Rest of the Study

The dissertation comprises five chapters. Chapter one contains the introduction, which dilates on the background to the study, statement of the problem, objectives of the study, research questions, significance of the study, Delimitation and Limitations of the study**.** Chapter two is devoted to the review of related literature on business ethics. Several themes on business ethics are reviewed and they are sourced from journals, research articles and position papers and seminar presents. Among the themes used are what is business ethics, theories of business ethics, code of ethics for Credit Unions in Ghana. Challenges associated with doing business ethically and dealing with the challenges that results from business transactions. Chapter three takes a look at the methodology used in data collection and analysis. Furthermore, Chapter four presents the results and discussion of the findings. Finally, Chapter five is devoted to the summary of the findings, conclusions and recommendations, as well as suggested areas for further research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter is devoted to the review literature related to business ethics with specific reference to the Twifo Hemang Lower Denkyira Teachers' Cooperative Credit Union. The themes under which the review is done include overview of ethics and code of ethics, what business ethics is, doing business ethically, theories of business ethics and challenges of managing business ethics. Efforts have been made to ensure that the literature reviewed took care of the objectives of the study.

Overview of ethics and code of ethics

Ethics is important not only in business but in all aspects of life because it is the vital part and the foundation on which the society is build. A business/society that lacks ethical principles is bound to fail sooner or later. According to International Ethical Business Registry as cited in Beu, Buckley and Harvey (2003), there has been a dramatic increase in the ethical expectation of businesses and professionals over the past 10 years. Increasingly, customers, clients and employees are deliberately seeking out those who define the basic ground, rules of their operations on a day.

According to Brown, Treviño and Harrison (2005), "ethics refers to a code of conduct that guides an individual in dealing with others" (p.132). Business ethics is a form of the art of applied ethics that examines ethical principles and moral or ethical problems that can arise in business environment. It deals with issues regarding the moral and ethical rights, duties and corporate governance between a company and its shareholders, employees, customers, media, government, suppliers and dealers (Brown, 2007). Henry Ford said, "Business that makes noting but money is a poor kind of business" (Burke, 1999).

To Carson (2003), ethics is related to all disciplines of management like accounting information, human resource management, sales and marketing, production, intellectual property knowledge and skill, international business and economic system. As said by Joe Paterno and quoted by Collier and Esteban (2007), once that success without honour is an unseasoned dish. It will satisfy your hunger, but will not taste good. In business world the organisation's culture sets standards for determining the difference between good or bad, right or wrong, fair or unfair.

A code of ethics is a vital document for any business, as breaches of ethics can land companies in serious trouble with consumers, other organisations or government authorities. Creating a code of ethics makes decision-making easier at all levels of an organisation by reducing ambiguity and considerations of individual perspectives in ethical standards (Fuqua & Newman, 2006).

The purpose of code of ethics is that they guide all managerial decisions, creating a common framework upon which all decisions are founded. This can help to create a cohesive understanding of the boundaries within an organisation and the standards set for interacting with external stakeholders. A formal, well-communicated code of ethics can also help to protect a company's reputation and legal standing in the event of a breach of ethics by an individual employee (Carson, 2003).

In the view point of Fuqua and Newman (2006), codes of ethics can cover any scope, from the corporate level to the workgroup level. Corporate level ethics standards speak in grand, idealistic terms, communicating the entire ethical vision of the organisation in a single document. Ethical standards for business units or geographical divisions can be a bit more specific, applying to the particular industry or region in question. Codes of ethics at the departmental level often deal with highly specific issues, which are often related to experiences and trends within the department.

With regards to process, Collier and Esteban (2007) maintain that codes of ethics are simple for an executive to create in the privacy of his own office, but an individually dictated set of standards can often fail to achieve its purpose. Involving a wide range of employees from all levels of an organisation in the process of drafting and formalising a code of ethics can help to ensure that all employees are on board with and committed to the standards. Revising your code of ethics from time to time in response to changes in the industry or legal environment can help to ensure that your company's ethical reputation remains impeccable. In conclusion, Carson (2003) indicates that ethical considerations are vital in today's business environment, and smart companies do all they can to make their code of ethics relevant and important to their workers.

What is business ethics?

The Institute of Business Ethics defines business ethics as the application of ethical values, such as fairness, honesty, openness, integrity, to all business behaviour. In short it is about how an organisation does its business (Desjardins & McCall, 2005). Does it treat its employees with dignity and respect? Does it support them to ‘do the right thing’? Does it treat its customers fairly? Does it pay its suppliers on-time? Is it open to dialogue with its local communities? Does it acknowledge its responsibilities to wider society? You do not have to be a social enterprise to take ethics seriously. Essentially, business ethics is about the organisation’s culture. It involves doing all things ethically; not just doing some ethical or socially responsible things.

Driscoll and Hoffman (2000) indicate that quite simply, a definition for business ethics really comes down to one thing; thus, knowing the difference between right and wrong. This is so because unless the staff of a business entity adhere to their own personal code of ethics, it will be difficult to practice business ethics. All said and done, a definition for business ethics is simply “a code of principles based on values that govern an organisation's actions and decisions” (Wicks, 2003).

The essence of business ethics is that almost everyone in business needs to behave appropriately. It is because you may be the owner, manager, stakeholder, or employee – you will eventually face some type of moral or ethical dilemma in your everyday dealings with clients and the public Cassell, Johnson & Smith, 1997). Business ethics come into play whenever a conscious decision has to be made about those dilemmas. These can include things like harassment, discrimination, corporate social and environmental responsibility, fiduciary responsibility, governance and employee relations. How individuals within the organisation deal with these types of issues defines what type of business ethics they subscribe to (Weeks & Nantel, 1992).

According to Treviño and Weaver (2003), business ethical values vary by organisations and are defined largely by the behaviours and values that govern a business environment. In general, business ethical values are a set of guiding principles that encourage individuals in an organisation to make decisions based on the company's stated beliefs and attitudes toward business practices within its industry (Sims & Gegez, 2004).

With regards to business ethics, companies that define key elements of a corporate culture communicate their core values, beliefs and preferred approaches to handling common and uncommon business situations. Employees with a firm grasp on a company's values will make the most appropriate choices when facing a business dilemma (Roman & Munuera, 2005). Similarly, in conveying company values, managers define ethical business behaviour in their workplaces by explaining to employees how behaviour and action affects the business' overall mission. An example is demonstrating the link between respectful workplace relationships and low turnover, or lenient return policies and increased customer satisfaction surveys. This approach helps employees understand the link between ethical business behaviour and corporate success (Pimentel, Kuntz & Elenkov, 2010).

It is prudent to create an ethical workplace since in the view of Peterson, Rhoades and Vaught (2001), while there are many shades of gray in business dealings, companies can define ethical business values by outlining clear examples of right and wrong behaviour as it applies to them. This can be achieved by role-playing scenarios such as customer interactions, employee disputes or negotiations with vendors and contractors. In this same way, fair treatment is considered crucial. Towards this end, McDevitt and Hise (2002) state that a business can define ethical behaviour by outlining what it considers fair and just treatment of employees and customers. This includes goodwill among coworkers and toward customers, a willingness to give back to the community and the self-control to avoid situations where unethical behaviour could occur. When employees understand how a company defines business ethical values, they become more likely to comply with corporate policies and management decisions (Kaptein & Schwartz, 2008).

Doing business ethically

The Institute of Business Ethics (IBE) believes that business, and all organisations, should ‘do the right thing’ because it is the right thing to do (DeGeorge, 2006). In addition, according to Bradshaw (2012), there is research demonstrating the benefits enjoyed by businesses that take their ethical values seriously.

Firstly, it is good for staff for morale to work in an open culture, with possible benefits of increased productivity and staff loyalty. These are vital ingredients in the current climate when staff may be pushed to the limit. An organisation known for fair and responsible practice is likely to attract high quality employees and ‘stand out from the crowd’ (Salvador & Folger, 2009).

Secondly, demonstrating sound ethical practices can often be a condition for tendering for contracts with large customers needing to ensure the integrity of their supply chain. Good relationships with customers based on a commitment to honesty and transparency will enhance a company’s reputation. SMEs that are familiar with these demands will have a competitive advantage (Roman & Munuera, 2005).

Thirdly, the Institute of Business Ethics research found that companies with codes of ethics are consistently recorded as being more admired by their peer group in the Most Admired Companies list published by Management Today, than those with no code. We also showed that companies that train their staff in ethical standards financially out perform those that do not (DeGeorge, 2006).

Those owners/managers of SMEs that have been on the receiving end of unethical business practices or have suffered a reputation hit will understand the importance of having good, trusting relationships with customers, employees, suppliers and the community. The IBE’s 2008 Ethics at Work Survey showed that around a quarter of employees (23%) were aware of conduct they thought violated the law or their organisation's ethical standards, but only 58% of them reported it to a manager (Ethics Research Center, 2009). A business is made up of its employees, most of whom make decisions every day that require a choice about what is the right thing to do. If they use their own values to make that judgement, these values may not be the same as the owner/managers (DeGeorge, 2006).

Staff need support to do the right thing. Offering training in how to solve ethical dilemmas can help, not only by giving practical tools, but also in sensitising staff to issues and 'integrity risks' to the business which may arise. Using e-learning tools such as that offered by the Institute of Business Ethics is a cost-effective way to do this (Pimentel, Kuntz & Elenkov, 2010).

Strong leadership is essential in embedding ethical values in any size of organisation. But it is particularly important for SME owner/managers to 'walk the talk' if they hope for their staff to behave ethically. In 'Priorities, Practice and Ethics in Small Firms', 100 small firms in the UK were surveyed on their social and ethical concerns (Bowie, 2001). The results showed that owner/managers run their businesses in ways which are consistent with their own values and principles and that employees tend to follow the lead of the owner/manager in how they behave in their own role. SME owners/managers will have dilemmas of their own: the pressures of cash flow and limited resources can mean that they are frequently confronted with pressures to cross an ethical line (Weber, 1996).

Doing business ethically, makes for better business, because McDevitt and Hise (2002) say that many companies make the mistake of only tackling ethical behaviour once a problem has arisen. A reputation takes years to build, but can be lost overnight following an ethical lapse. Talking about ethical issues and training staff, can help to encourage an ethical culture, where employees do the right thing, because it is the right thing to do. Companies which create a supportive culture may find they are the ones that ride an economic downturn best with their reputation, their books and their integrity intact (Maclagan, 2007).

Bartlett (2003) indicates that conducting yourself ethically as a small-business owner and encouraging your employees to engage in ethical business conduct brings about several benefits for your company. Similarly, unethical conduct can hurt your business financially and tarnish its image, leading to diminished future opportunities for your company.

Business ethics involve people from different walks of life, different countries and different cultures all agreeing on some basic principles of how to conduct themselves and that amounts to social norms (Hosmer, 2000). Since business transactions in our increasingly global economy involve businesses with employees and owners who come from different backgrounds interacting with each other on a regular basis, business ethics provide a common ground everyone can agree upon. For example, accountants from different backgrounds may all prescribe to the same system of accounting standards such as GAAP, or General Accepted Accounting Principles (de Graaf, 2001). By everyone adhering to the same standards, investors and other groups can assess the financial performance of one company using the same methods it uses to evaluate another company (Weber, 1996).

According to Werhane and Freeman (1999), if employees feel they are expected to act ethically and are treated ethically by their employer, they are less likely to engage in unethical behaviour that would hurt their employer. Employees are less likely to take company property, including office supplies, or make larger claims on expenses for travel or other business-related activities, including the cost of conducting some non-business activities. Employees who act ethically also do not take excessive breaks or spend company time and resources engaging in personal activities, lowering their productivity and the profitability of the business.

Depending on the country, state or even city where you are conducting business, engaging in some unethical activities may lead to trouble with the law. You may have to work to defend your business from legal action as a result, which takes away from any profit the business earns. Problems arising from unethical behaviour may seriously affect the company's ability to operate in certain markets (Warren & Tweedale, 2002).

When your company, or the employees within your company, engage in behaviour that is either ethical or unethical, the members of the public who interact with your company take notice. If your company acts in ways the public considers ethical, your company enjoys an increase in public trust. Building a positive image in the public sphere helps your company unlock future opportunities and avoid intense public scrutiny during periods when your firm may struggle (Shipley, 1998).

Theories of business ethics

Business ethics theories include the moral principles or codes a company implements to ensure that all individuals working in the company act with acceptable behaviour. Business owners and managers can use an ethics theory they deem most appropriate for use in their operations. A few different business ethics theories exist, such as the utilitarian, rights, justice, common good and virtue approach. These theories can be used on their own or in combination with each other. Each theory includes specific traits or characteristics that focus on specific ethical principles that can help companies correct business issues (Amin, 1988; Harwood, 1996).

The utilitarian approach focuses on using ethical actions that will promote the most good or value among a society while limiting the amount of harm to as few people as possible. Among the business ethics theories, this is typically seen as the oldest theory, as it was propagated by many philosophers, such as Jeremy Bentham, James Mill, and Mill's son John Stuart Mill. Businesses can use this theory to ensure the outcome of various situations helps the maximum amount of stakeholders (Seglin, 2003).

A rights ethical approach is based on the belief that all individuals have rights in life and should be treated with respect and dignity. Morals play a large role in this because individuals must personally use ethical behaviour in order to achieve the end goal without mistreating people. Business ethics theories often use this approach by not imposing their missions, products, or systems on consumers (Hartman, 2004).

In so far as theoretical issues in business ethics, there is the issue of conflict interests and Ethical issues and approaches. On the question of conflicting interests, Seglin (2003) notes that business ethics can be examined from various perspectives, including the perspective of the employee, the commercial enterprise, and society as a whole. Very often, situations arise in which there is conflict between one and more of the parties, such that serving the interest of one party is a detriment to the other(s). For example, a particular outcome might be good for the employee, whereas, it would be bad for the company, society, or vice versa. Some ethicists (e.g., Henry Sidgwick) see the principal role of ethics as the harmonisation and reconciliation of conflicting interests.

Harwood (1996) states that philosophers and others disagree about the purpose of a business in society. For example, some suggest that the principal purpose of a business is to maximize returns to its owners, or in the case of a publicly-traded concern, its shareholders. Thus, under this view, only those activities that increase profitability and shareholder value should be encouraged. Some believe that the only companies that are likely to survive in a competitive marketplace are those that place profit maximisation above everything else (Werhane & Freeman, 1999). However, some point out that self interest would still require a business to obey the law and adhere to basic moral rules, because the consequences of failing to do so could be very costly in fines, loss of licensure, or company reputation (Trevino, 1992). The economist Milton Friedman was a leading proponent of this view.

According to Sudhir and Murthy (2001), other theorists contend that a business has moral duties that extend well beyond serving the interests of its owners or stockholders, and that these duties consist of more than simply obeying the law. They believe a business has moral responsibilities to so-called stakeholders, people who have an interest in the conduct of the business, which might include employees, customers, vendors, the local community, or even society as a whole. They would say that stakeholders have certain rights with regard to how the business operates, and some would even suggest that this even includes rights of governance (Rosenthal & Bucholz, 2000).

Marnburg (2001) stresses that some theorists have adapted social contract theory to business, whereby companies become quasi-democratic associations, and employees and other stakeholders are given voice over a company's operations. This approach has become especially popular subsequent to the revival of contract theory in political philosophy, which is largely due to John Rawls' A Theory of Justice, and the advent of the consensus-oriented approach to solving business problems, an aspect of the "quality movement" that emerged in the 1980s. Hosmer (2000) reveals that Professors Thomas Donaldson and Thomas Dunfee proposed a version of contract theory for business, which they call Integrative Social Contracts Theory. They posit that conflicting interests are best resolved by formulating a "fair agreement" between the parties, using a combination of i) macro-principles that all rational people would agree upon as universal principles, and, ii) micro-principles formulated by actual agreements among the interested parties. Critics say the proponents of contract theories miss a central point, namely, that a business is someone's property and not a mini-state or a means of distributing social justice.

Ethical issues can arise when companies must comply with multiple and sometimes conflicting legal or cultural standards, as in the case of multinational companies that operate in countries with varying practices (Ferrell & Fraedrich, 1997). The question arises, for example, ought a company to obey the laws of its home country, or should it follow the less stringent laws of the developing country in which it does business? To illustrate, United States law forbids companies from paying bribes either domestically or overseas; however, in other parts of the world, bribery is a customary, accepted way of doing business. Similar problems can occur with regard to child labour, employee safety, work hours, wages, discrimination, and environmental protection laws. It is sometimes claimed that a Gresham's law of ethics applies in which bad ethical practices drive out good ethical practices (Bowie, 2001). It is claimed that in a competitive business environment, those companies that survive are the ones that recognise that their only role is to maximise profits. On this view, the competitive system fosters a downward ethical spiral (Goodwin, 2000; Gustafson, 2000).

Challenges of managing business ethics

According to Heller and Heller (2011), for decades leaders have tried to use one set of ethics for their professional responsibilities, another for their personal activities and still another with their family responsibilities. This circle of circumstantial ethics has gotten leaders into trouble. A morally educated leader is one, who is “equipped with ethical awareness, ethical reasoning skills … and is postured to shoulder the duties and rewards of stewardship, including consideration of multiple stakeholders concerns, before making decisions and using power responsibly” (Jackson, 2006, p. 65). Badaracco (1992) notes that leaders have four spheres of ethical responsibility; as a person, as a company leader, as an economic agent, and as acting beyond the firms boundaries. Thus, ethics is ethics!

Jamnik (2011) states that managers in organisations face ethical issues every day of their working lives. There is seldom a decision they face that does not have an ethical dimension or facet to it. In addition to facing ethical aspects in their decision making, they confront ethical issues as they carry out their leadership responsibilities. Whether managers are engaged in planning, organising, motivating, communicating, or some other management role, they face the fact that matters of right and wrong, fairness and unfairness, and justice or lack of justice creep into their decisions, actions or behaviours. Furthermore, it does not matter what level of management is under consideration - top, middle, or lower; managers at all levels, and in all functions, face situations wherein ethical considerations play a major role (Bartlett, 2003).

Regarding the times a manager faces an ethical issue, Ferrell and Fraedrich (1991, p. 35) state that, "an ethical issue is a problem, situation or opportunity requiring an individual or organisation to choose among several actions that must be evaluated as right or wrong, ethical or unethical." From another perspective, Josephson as cited in Carrol (1996) helps us to understand an ethical issue when he states that conduct has a significant ethical dimension if it involves dishonesty, hypocrisy, disloyalty, unfairness, illegality, injurious acts, or unaccountability. These represent at least two ways of thinking about ethical issues managers face. Managers today face many such ethical issues and these issues may be grouped according to different levels at which they occur.

Managers experience ethical issues at the personal, organisational, trade/professional, societal and global levels.

Furthermore, ethical issues may be categorised in a number of different ways. Vitell and Festervand identify conflicts between companies' or managers' interests and personal ethics. In their study, these issues arise between managers and their conflicts with such stakeholder groups as customers, suppliers, employees, competitors, law and government, superiors, wholesalers, and retailers. In terms of specific issues, these same researchers see ethical conflicts arising in these situations: “the giving of gifts and kickbacks, fairness and discrimination, price collusion and pricing practices, firings and layoffs, and honesty in communications and executing contracts with investors” (Vitell & Festervand, 1987).

According to a major report from the Conference Board, there is widespread agreement that the following constitute ethical issues for managers: “employee conflicts of interest, inappropriate gifts, sexual harassment, unauthorised payments, affirmative action, employee privacy, and environmental issues” (Berenbeim, 1987, p. 3). In this same report, CEOs reported specific topics which constituted ethical issues for them, which were categorised as follows:

- Equity: Executive salaries, comparable worth, product pricing
- Rights: Corporate due process, employee health screening, privacy, sexual harassment, affirmative action/equal employment opportunity

• Honesty: Employee conflicts of interest, security of employee records, inappropriate gifts, unauthorized payments to foreign officials, advertising content

• Exercise of corporate power: Political action committees, workplace/product safety, environmental issues, disinvestment, corporate contributions, closures/downsizings (Berenbeim, 1987, p. 4).

Finally, Waters, Bird and Chant (1986) provide us with insights into what managers consider to be ethical issues based on their research using open-ended interviews with managers in a variety of organisational positions. In response to the question "What ethical questions come up or have come up in the course of your work life?" the following ethical, or moral, issues were identified most frequently:

• With respect to employees: feedback about performance and standing; employment security; appropriate working conditions

• With respect to peers and superiors: truth-telling, loyalty and support

• With respect to customers: fair treatment, truth-telling, questionable practices, collusion

• With respect to suppliers: fair/impartial treatment, balanced relationship, unfair pressure tactics, truth-telling

• With respect to other stakeholders: respecting legal constraints, truth-telling in public relations, stockholder interests (Waters, Bird & Chant, 1986, pp. 375-6).

To be sure, managers face many situations in which ethical issues arise. These situations may occur at a multitude of levels, they involve multiple stakeholders, and they may be categorised or perceived in a variety of ways. What do they have in common? Virtually all ethical issues managers face may be characterised as a conflict of interest. The conflict usually arises between the manager's own values or ethics and those of his or her employer, employees, or some other stakeholder group which has an interest in the decision (Petrick & Quinn, 1997).

CHAPTER THREE

METHODOLOGY

This chapter describes the methods by which data is collected and analysed. The issues dealt with in this chapter are the research design, population of the study, sampling procedures, instruments for data collection, pre-testing of instruments, data collection and analysis procedures.

Research design

According to Trochim (2006), a research design provides the glue that holds a research project together. Thus, a research design is used to structure the research, to show how all of the major parts of the research project, that is, the samples or groups, measures, treatments or programmes, and methods of assignment, work together to try to address the central research questions.

On the basis of the above, the descriptive research design was used for this study because in the words of Creswell (2002) it is used to answer descriptive research questions such as ‘What is happening?’, ‘How is something happening?’ and ‘Why is something happening?’ These questions are applicable to the issue under study. This researcher sought to find out if managers and staff of the Twifo Hemang Lower Denkyira Teachers’ Cooperative Credit Union had conduct business with contributors and clients ethically. In other words, had their conduct over the years conformed to sound business practices.

Population of the study

The population for this study comprised the contributors and clients of the Twifo Hemang Lower Denkyira Teachers' Cooperative Credit Union. This Cooperative has a total membership of 4350 made up of teachers and non-teachers in the Twifo Hemang Lower Denkyira District. All the members of the Cooperative are contributors and clients at the same time because one can only become a member based on a monthly contribution one makes. Also, almost every member is a client because in times of need one applies for loan with very marginal interest rate to keep the Cooperative going. On the basis of these, the 4350 members of the population has a stake in the way and manner the business is run and are in better position to tell if managers and staff of the entity have conducted themselves well relative the code of ethics of the business. It must be said that all the members are accessible because they are reside in the district and can be reached personally or by phone so every member is captured in the target population for the study.

Sampling techniques

The sample size for this study was 350 respondents. The method used was on the sample determination table developed by Research Advisors (2006). They stated that a population of up to 5000 could attract a sample of 357 respondents at a confidence level of 95% with an error of margin of 5%. Also, using a rule of thumb approach the sample size was fixed at 350 since the population was less than the 5000 that was used to determine to 357 sample.

The sampling random sampling method was used to select the 350 respondents. This method ensured that all the members in the population had the same chance of being selected. Specifically, register of members was obtained from the manager of the Cooperative and numbers were assigned to each name. These numbers were written on pieces of paper and placed in bowl. They were shuffled adequately to ensure fairness and reliability. With the assistance of seven research assistants, the lottery technique of the simple random sampling method was used to select the required 350 respondents. In the course of the selection, whenever a number was picked from the bowl, it was not replaced. This was done to avoid that number being selected again and to facilitate the selection process. Besides, whenever a number was selected it was used to match the name in the register and that person stood selected, this was done for all the 350 respondents.

Instrument for data collection

The instrument used for data collection was an interview guide. It had three sections. Section A was devoted to the issues concerned with whether staff of the Cooperative conformed to the ethics of their business. This section had three main items. Each of the three items had sub-items that helped to deal with issues involved. It must be pointed out that the questions comprised both closed and open-ended but during the interview depending on the response given, the interviewer had the opportunity to ask follow-up questions if it was necessary. The items in Section B were concerned with the challenges staff had encountered in the course of conducting the business of the Cooperative. This section had one main item but it contained six sub-items, with only one being open-ended to facilitate the interview process. Lastly, Section C had items that were meant to suggest measures that could be instituted to ensure that business of the credit union was conducted ethically, meaning staff would conduct themselves ethically in their dealing with clients. Similar to Section B, this section had one main item with six sub-items in the form of close-ended questions.

Pre-testing of instrument

To ensure the reliability and consistency of responses from the items in the interview guide, 50 members who were not selected for the main study were used for pre-testing process. These 50 respondents were selected in the same way as the participants in the main study. Because of the constraints of time, the researcher used his student's identification card to introduce himself to the Manager of Cooperative. The reception given by the manager was cordial and he gave all the assistance he could to make the data collection a success. In order to contact the members were selected, their contact telephone numbers were given and each of them was called and arrangement was made for the interview. At this stage of data collection, the research conducted the interview himself which lasted for a week because of the cooperation I received from respondents.

After the interview, responses that were close-ended were tallied into frequencies and percentages without using any computer software. But upon close scrutiny it was found that the interview guide as formulated would elicit the required responses as demanded by the objectives of the study. In the light of this, the interview guide was not changed and it was used for the main data collection.

Data collection procedures

The conduct of the main data administration was done with the help of six research assistants who were national service personnel serving in the district and who live in the localities where the respondents reside. Since the research assistants were first degree holders, they had experience in basic research and they needed just a little coaching which was done before the interviews were conducted. Each of the six research assistants was assigned to 50 respondents amounting to 300 and I took the remaining 50.

Within a matter of two weeks, we had interviewed 50 assigned respondents. This notwithstanding, there were a few challenges like visiting an individual several times before the opportunity came for the interview. Other interviewees initially refused to be interviewed unless they were paid some money but they were impressed upon to help because some day they would also need similar assistance, moreover, their candid opinion would make the operations of the credit union very smooth to which they had to oblige. Eventually, all the 350 selected respondents were interviewed giving a return rate of 100%.

Data analysis procedures

First of all data collected were edited for clarify of expression. In effect, the data analysis was done manually, qualitatively and quantitatively. The manual analysis was in search a way that similar responses were grouped according to the objectives of the study. The responses were tallied into frequency tables which gave room for quantitative analysis, principally in percentages. However, because of the nature of some of the responses, they had to be analysed qualitatively in tandem with the objectives that guided the study. But, the qualitative analysis was done to support the quantitative process. By and large, the analysis of data had been done to facilitate the presentation of results in tables interspersed with qualitative information.

CHAPTER FOUR

RESULTS AND DISCUSSIN

This was to examine whether the Twifo Hemang Lower Denkyira Teacher's Cooperative Credit Union had been conducting its business ethically. It is on this basis that this chapter of the study presents the results that emerged from the data collection process. Three objectives were formulated to guide investigation and the results are presented and discussed based on the objectives. The total number of respondents for this study was 364, which was made up of 350 contributors and 14 staff. All the 364 respondents were duly interviewed.

Conforming to business ethics

This section is in two parts – the first part deals what business ethics mean to respondents and the second looks whether staff had conducted themselves ethically based on certain benchmarks. In view of the importance business ethics play in the success of a business entity, it was not out of place that doing business ethically was explored in conformity with specific objective one. The responses elicited from staff and contributors on the issue that businesses are expected to behave ethically are presented in Table 1.

Table 1 shows that all staff and contributors agreed that doing business ethically mean that the organisations details the Dos and Don'ts of that establishment to staff and clients. In the ensuing explanations respondents indicated that for any business entity to thrive some basic rules need to be put in place to guide the conduct of its employees and to some extent its customers and clients.

Table 1: Respondents' views on what doing business ethically mean

Statements on business ethics	Agree N (%)	Disagree N (%)	Total N (%)
Detailing the Dos and Don'ts of the organisation to its employees and clients.	364(100)	0	364(100)
Communicating the core values, beliefs and preferred approaches to handling common and uncommon business situations.	334(91.8)	30(8.2)	364(100)
Outlining clear examples of right and wrong behaviour as it applies to business practice.	364(100)	0	364(100)

Source: Field Survey, September 2012

This is because in any formal organisational environment things are done according to laid down rules and regulations and these are supposed to be adhered to ensure smooth operations. They said for instance, in the case of the credit union contributors have to buy shares and make a monthly contribution based on one's ability. This must be adhered to religious to ensure that Cooperative survives. Staff of the credit unions on the other hand are expected to manage the monies collected diligently. Respondents further explained that the code of conduct complied by the Cooperative contains most of the Dos and Don'ts that staff and contributors are required to comply with. In support of what respondents had stated George Minta-Jacobs, the Executive Director of Empretec Business Forum added impetus to the business ethics deal with what is right or wrong in an organisation, it also has to do with the DOs and DON'Ts in an organisation or a society.

Secondly, Table 1 indicates that 91.8 percent of respondents agreed with the proposition that doing business ethics amounts to communicating the core values, beliefs and preferred approaches to handling common and uncommon business situations. This view is still held by the majority of respondents and that is what is considered to be the norm. Respondents explained that every business entity has core values, beliefs and specified ways of dealing with issues that are normal and those that do not appear to normal and predictable. They state that the challenge is always with uncommon business situations such as clients coming to your office to ask for favours that cannot be granted because it is not catered for in the rules and regulations of the Union. In such circumstances, the business manager has to be tact and circumspect in order not incur the displeasure of the client and at the same flout the ethics of the business.

Even though the majority of respondents agreed with the proposition under discussion, a few (8.2%) disagreed. In spite of this situation however, the position of the majority are supported by the views of experts such as Weeks and Nantel (1992). Weeks and Nantel state that business ethics come into play whenever conscious decisions are to be made by managers on difficult and challenging issues. The difficult business situations could concern issues like harassment, discrimination, corporate social and environmental responsibility, governance and employee relations. The bottom line is that ability of the managers and staff of the credit union deal with these types of issues defines what type of business ethics they subscribe to.

Finally, Table 1 shows that all respondents agreed that doing business ethically is outlining clear examples of right and wrong behaviour as it applies to business practice. It is a fact that business ethics is doing what is good and eschewing what is wrong. In the specific instance of this credit union practice, managers and staff of the THLD Teachers' cooperative credit union are required to operate within the rules and regulations that govern their activities, which are geared towards good business practices.

Essentially, doing business ethically also mean conducting a business legally as well as because if a business does not conform to existing legal regime it would not be doing the right thing. To this end, Driscoll and Hoffman (2000) indicate that doing business ethically really comes down to one thing, that is knowing the difference between right and wrong. For instance, in the case of the study organisation, no staff can on his/her own approve credit to a customer or take the monthly contribution of a contributor and deposit it on that person behalf. The contributor is supposed to deposit the contribution on his/her own if it is not deducted from source. If a staff of the credit union is observed collecting contributors' monthly installment and depositing same on their behalf that would be considered to be inappropriate and bad business practice.

On the part of Wicks (2003) it is incumbent on staff of business entity to adhere to their own personal code of ethics since it will be difficult to practice business ethics if staff do not respect basic rules and regulations. In sum, Wicks noted that business ethics is a code of principles based on values that govern an organisation's actions and decisions.

The second part of this section is concerned with certain specific instances where staff and contributors of the Teachers' Cooperative Credit Union are expected to exhibit to conform to sound business ethics. On this score, both staff and contributors were interviewed with the same set of questions and their responses are presented together but in a segregated manner such that views of staff and contributors are easy to see. Consequently, Table 2 presents the responses as given by respondents.

On the issue of fairness as an ethical value, Table 2 shows that 64.3 percent of staff indicated that to a large extent they have observed the virtue. They explained that fairness makes a good business, and within an organisation, the practice of fairness to higher output. In the same breadth, the greater majority of contributors also agreed that 'to a large extent' managers of the credit union exhibited fairness in their conduct.

As a follow up to that question, respondents were asked what makes a fair process in business dealings? The responses are given in consonance, the five elements fairness. The first of these is that of authenticity. What this means that one has to be truthful in words and deeds such that there should not be any pretence. Secondly there should be fluid communication within and outside the organisation. This should be done so that employees would understand why they are doing certain things, the rationale of a strategy for achieving a certain task.

Table 2: Responses on the extent the staff of THLD Teachers' Cooperative Credit Union conforms to ethical values

	Staff's Responses (N=14)			Contributors' Responses (N=350)		
The Ethical Values	To a large extent	To a lesser extent	To no extent	To a large extent	To a lesser extent	To no extent
	N (%)	N (%)	N (%)	N (%)	N (%)	N (%)
Fairness	9(64.3)	5(35.7)	0	277(79.1)	73(30.9)	0
Honesty	11(78.6)	3(21.4)	0	306(87.4)	44(12.6)	0
Openness	11(78.6)	3(21.4)	0	277(79.1)	73(30.9)	0
Integrity	8(57.1)	6(42.9)	0	248(70.9)	102(29.1)	0

Source: Field Survey, September 2012

Thirdly, there should be clarity and transparency. These connote that there should be clarity and transparency in all the processes, in how a decision is made, how a performance is evaluated and how clients are served particularly, the case of a credit union such as the one under study. The fourth element has to do with consistency. Consistency has to be exhibited in the in decision-making process and in the treatment of staff. The fifth element of fairness which is applicable in business ethics is fact or evidence-based changeability. What is element means is that the way and manner things are done keeping changing all that time and so if there is going to be any change, it should be based on facts or evidence to warrant that change.

Even though, the majority of staff as well as contributors indicate that managers of the THLD Teachers' Cooperative Credit Union are fair in their dealings, a few of them held a dissenting view. This is true in the adage that opinions are like noses everyone has one. In this instant, roughly 36.0 percent of staff respondents and 30.9 percent of contributors were of the view that in spite of the fact that managers of their credit union exhibited the value of fairness it was to a lesser extent and that should be deepened because of the advantages it is likely to bring to their business practice.

Regarding the ethical value of honesty, Table 2 shows that about 79.0 percent of staff and 87.0 percent of contributors indicated that managers of the Teachers' Cooperative Credit Union had exhibited that trait to a large extent. This means roughly 21.0 percent and 13.0 percent respectively of staff and contributors were not very convinced that the act of honesty had been displayed among managers and staff of the credit union.

Lexically, honest is telling the truth, exhibiting straightforward conduct, being sincere, truthful, trustworthy, honourable, fair, genuine and loyal with integrity (Paige, 2012). It should be emphasised respondents who held that view that honesty has been exhibited among staff of the organisation explained among others that there was truth in whatever was done since staff were straightforward in their conduct. Above all, there were sincere, fair and trustworthy.

Furthermore, it was explained that the value of honesty in business practice has obvious and subtle implications for all stakeholders. That is everybody involved in the business should be honesty with himself/herself. On who would benefit from honesty in business transactions, respondents answered that since honest is virtue and can help the business to progress, every one whether contributor or staff of the credit union should eschew dishonest acts. It should be noted that when the negative effects of dishonest business practices are examined the importance of honesty comes in handy. In fact, honesty in business practice is as helpful as looking at the benefits of business honesty. Doing what is ethical because it is the right thing to do is as essential as practicing ethical behaviour for the positive consequences (DeGeorge, 2006).

Most of the views and explanations given by respondents are firmly in tandem with the expositions of Velasquez (2005). Among others, honest business practices inspire staff and customers with respect for your mission. Honest business practices build foundations of trust with colleagues, competitors, staff, customers and every other individual and entity. When employers deal honestly with their staff, employees are motivated to drive the business forward. Creditors and investors express confidence by funding company development and consumer confidence is positive.

In a practical business environment a business owner can apply honesty in every situation. When he/she reports to shareholder, files taxes, and markets his/her products and services, the owner has the choice to provide honest accounting in every case. Also, a business can commit to quality control and assurance in this case staff should do due diligence so that loans and not over deducted. It can truthfully report earnings and deal with customers with integrity by backing up its work and products.

Finally, on this issue of honesty in business practices, respondents agreed that a golden rule should be adhered to by all the people involved in the operations of the credit union. With this golden rule, treating employees, partners, investors and customers in the ways the business owner would want them to treat him/her creates an environment of trust and support. Shareholder of the credit union can resist the short-term gratification at the expense of long-term commitment to the network of relationships in which the business is involved. Efforts should be made to avoid the blinding trap that crops up when dishonesty clouds perception. Therefore, this golden rule helps to diminish greed, envy and the actions that accompany those less than virtuous qualities (Suchanek, 2005).

The third ethical value to be considered was ‘openness’. As regarding this issue, Table 2 shows that 79.1 percent of contributors and 78.6 percent staff emphasised that to a large extent managers were open in their business dealings. The explanations that were indicated that ‘Openness’ in business needs to be practiced in at least three directions. Firstly, ‘openness’ is directed toward in people in or out the organisation. The fact is that an open person’ is receptive to views of others. It is always welcoming to accept diverse opinion from others. When there is openness in business practices, the manager learns the customs and culture of clients and show respect to them.

Secondly, openness in business ethics and practice has direction toward ideas. This is ‘intellectual openness’ — openness to creativity, innovation, and novelty. This may not be different from what had been discussed earlier because ideas are flouted and the manager accepts them, digest and take the good aspect. Thirdly, openness is directed toward criticism. It is easy to be open to innovative, creative ideas that strengthen opinions and proposals; openness to criticism is far more difficult. It is an admission of possible weakness or failure — not something our cherished corporate culture will applaud. Over the longer haul, though, openness to criticism is a source of strength. It will help the business discover problems and cut losses while they are relatively small, rather than getting really nailed farther down the road. This third kind of openness takes some humility, courage, and strength of character. Criticism on technical and business grounds is part of what this is about, but unless we allow moral/ethical criticism as well, we have not yet achieved the benchmark virtue of openness. Moral/ethical criticism asks whether a technology or a business decision is good or bad for people (employees and their families, customers, community members, future generations). Moral/ethical criticism refuses to allow technological rationality or market mechanisms to operate unimpeded, unquestioned about impacts on people. The core of the issue is that openness is a fundamental character virtue for good organisations and their leaders in all times and places.

It should be intimated that openness is the companion virtue to loyalty as is seen in the subject of 'Benchmark Ethics'. Thus, openness as an in individual character or organizational culture which is not the same thing as emptiness; it does not mean abandoning everything that you should hold good. But a radical openness, anchored by loyalty to one's core mission and values, is a critical component in a benchmark ethics. Open people and organisations are more likely to succeed in business terms — and more likely to contribute to good lives for individuals and communities (Butler, 2000).

It is equally important to indicate that the relationship between loyalty and openness as moral values is a close parallel to Collins and Porras's formula for business values in their 'Built to Last'. They argue that the great companies first of all 'preserve the core' — they stay fiercely loyal to their core mission and values. But, second, great business companies stimulate progress by reaching for 'big, hairy, audacious goals' and by cultivating a 'try lots of things, keep what works' approach. That is openness (Stephan, 2009).

The fourth and last ethical value that was considered important to conform to by staff of the credit union was integrity. From Table 2, it is seen that about 57.0 percent of staff and 70.9 percent of contributors pointed out that largely staff of the Teachers' Cooperative Credit Union exhibited integrity. Several explanations were given to buttress the views expressed. First and foremost, integrity was said to be is a concept of consistency of actions, values, methods, measures, principles, expectations, and outcomes. In ethics, integrity is regarded as the honesty and truthfulness or accuracy of one's actions. Integrity can be regarded as the opposite of hypocrisy, in that integrity regards internal consistency as a virtue, and suggests that parties holding apparently conflicting values should account for the discrepancy or alter their beliefs.

In the context of accountability, integrity serves as a measure of willingness to adjust a value system to maintain or improve its consistency, when an expected result appears incongruent with observed outcome. Some people regard integrity as a virtue in that they see accountability and moral responsibility as necessary tools for maintaining such consistency (Zaffron, 2007).

Respondents also touched on the importance of integrity and it was said that integrity always existed among the business community, but in recent times integrity has been shown as falling short. Furthermore, the consequence of global competition means that customers will simply not consider a company that shows any less than the highest level of integrity. Since there is a wealth of competitive companies easily available and accessible via the Internet, there is in fact no need to accept anything less than the best. These ideas conform to Simpson’s (2009) principle of integrity.

In effect, Simpson (2009) expatiates on these principles. When these principles are integrated each of them that are exhibited in a company environment, the result will be nothing short of a major rebirth of the enterprise. Thus, the principles are outlined as follows:

i. Principle #1 – it should be recognised that customers/clients want to do business with a company they can trust; when trust is at the core of a company, it is easy to recognise. Trust defined is assured reliance on the character, ability, strength, or truth of a business.

ii. Principle #2 – For continuous improvement of a company, the leader of an organisation must be willing to open up to ideas for betterment. Ask for opinions and feedback from both customers and team members and your company will continue to grow.

iii. Principle #3 – Regardless of the circumstances, do everything in your power to gain the trust of past customer's and clients, particularly if something has gone awry. Do what you can to reclaim any lost business by honoring all commitments and obligations.

iv. Principle #4 – Re-evaluate all print materials including small business advertising, brochures and other business documents making sure they are clear, precise and professional; most important make sure they do not misrepresent or misinterpret.

v. Principle #5 – Remain involved in community-related issues and activities thereby demonstrating that your business is a responsible community contributor. In other words, stay involved.

vi. Principle #6 – Take a hands-on approach in regard to accounting and record keeping, not only as a means of gaining a better feel for the progress of your company, but as a resource for any "questionable " activities; gaining control of accounting and record keeping allows you to end any dubious activities promptly.

vii. Principle #7 – Treat others with the utmost of respect. Regardless of differences, positions, titles, ages, or other types of distinctions, always treat others with professional respect and courtesy (Simpson, 2009, p.12-13).

In sum, it must be emphasised that while integrity is most certainly an integral and positive step for a business entity to recognise the significance of integrity as a tool for achieving its desired outcomes, that is only the beginning. What must truly be recognised for true success is that while certain precise universal principles lead to business integrity, it is in the overall mindset of the company and the unfailing implementation of these key elements that an enterprise is truly defined. Any organisation that instills a deep-seated theme of integrity within its strategies and policies will not only be evident among customers, associates and partners, but its overall influence cannot help but to result in a profitable, successful company. By recognising the value of integrity, and following each of the aforementioned seven principles for achieving integrity, success cannot be far off.

To cement the discussion on whether THLD Teachers' Cooperative Credit Union has conducted business ethically, respondents were asked if that business has conducted lived up to expectation. The responses saw about 4.0 percent of respondents answering the negative and the remaining 96.0 percent giving indication on the affirmative. From this perspective, it can be stated that the credit union had not done badly in terms of business ethics. The issue was not left like that rather respondents were made to buttress their responses with the requisite explanations. On the part of those who disagreed that credit union had conducted business ethically, they simply said that staff do not have conditions of service which should have been part of the business ethics regime. Also, they said that channels of communication and line of authority are not clearly delineated and that is not good for doing business ethically.

Those who answered in the agreed with doing business ethically proposition indicated among others that the managers of the entity respect clients, staff are allowed to develop their skills at workshops organized by the parent union the Cooperative Credit Unions Association in Ghana (CUA). Also, it was said that the union is able to hold annual general meeting and that such meetings are used to provide the necessary information to contributors and clients. Other explanations are outlined as follows:

1. It has conducted its operation in conformity to the laid down rules and regulations of credit unions in Ghana,
2. Transparency has been the watchword,
3. Largely, the union has been able to alleviate the financial difficulties of members,
4. There is a quarterly display of reports on notice boards and
5. There is a monthly financial statement to individual members.

By and large, what has been discussed thus far is in conformity with the expositions of Sims and Gegez (2004). They stated that business ethical values are a set of guiding principles that give confidence to individuals in an organisation to make decisions based on the entity's stated beliefs and attitudes toward business practices within that industry. Finally, the Institute of Business Ethics (IBE) as cited by DeGeorge (2006) believes that business, and all organisations, should 'do the right thing' because it is the right thing to do.

Challenges of conducting business ethically

It is evident that a business entity that conducts its activities transparently and openly is almost always successful. This is assertion is given credence by Shipley (1998). He indicates that if a business concern conducts its affair the public considers ethical, it would continue to enjoy an increase in the public's trust. More so, if the business builds a positive image in the public sphere it helps that entity unlocks future opportunities and avoid intense public scrutiny during times of difficulties. On their part, Warren and Tweedale (2002) note that problems arising from unethical behaviour may seriously affect an organisation's ability to operate in certain environments. The issue is that challenges really exist in every business endeavour and this section of the study deals with those challenges. Responses were elicited from respondents on whether any of the stated challenges are seen in the operations of the THLD Teachers' Cooperative Credit Union. The responses are presented in Table 3.

Table 3: Responses on the challenges of conducting business ethically at THLD Teachers' Cooperative Credit Union

Statements relating to the challenges	Staff responses (N=14)		Contributors' responses (N=350)	
	Yes	No	Yes	No
	N(%)	N(%)	N(%)	N(%)
There have been some aspects of dishonesty on the part of staff.	1(7.1)	13(92.9)	29(8.3)	321(91.7)
There have been some aspects of hypocrisy on the part of staff.	0	14(100.0)	15(4.3)	335(95.7)
There have been some aspects of disloyalty on the part of staff.	0	14(100.0)	29(8.3)	321(91.7)
There have been some aspects of unfairness on the part of staff.	1(7.1)	13(92.9)	15(4.3)	335(95.7)
There has been general unaccountability to contributors.	0	14(100.0)	0	350(100.0)

Source: Field Survey, September 2012

In the first instance, it should be noted that a dishonest person is not trustworthy and cannot be relied on and dishonesty is a vice and not virtue. In financial business dealings, managers and clients are required to be very honest. If it is observed that any of the players in the business are being dishonest it poses a challenge. From Table 3, it is seen that only 7.1 percent of staff and 8.3 percent of contributors indicated that dishonesty was an ethical challenge in the operations of the THLD Teachers' Cooperative Credit Union.

On the other hand, the table shows that the majority of respondents (92.9% of staff and 91.7% of contributors) pointed out that dishonesty has not been a challenge at all. This is good to hear because if it were it would not urgur well for the operations of a credit union, which core objective is to manage financial contributions from members on their behalf so that in times of need they could fall on it to mitigate their hardship.

Moreover, to be dishonest is to deny reality, to be impatient, to look for shortcuts, to seek instant gratification, and eventually to be self- destructive. These are not good for business. Besides, dishonesty can prevent an individual from acting with objectivity and foresight. Also, dishonest thinking clouds one's judgment and may lead to bad decisions. If business manager is not an amoral person, lying or stealing can create feelings of guilt leading to self-destructive behaviour. If a business manager wants to succeed in the industry, why bet against himself or herself? Dishonest business owners usually fail; after a while, they run out of customers, suppliers, creditors, and even employees (Adams, 2001).

Furthermore, Table 3 shows that all staff respondents disagreed that any of them have exhibited any act of hypocrisy in the management of their credit union but a few (4.3%) contributors disagreed with the position of staff. In spite of the fact that few contributors saw hypocrisy as an ethical challenge in the operations of THLD Teachers' Cooperative Credit Union, the majority (95.7%) of them did see that as challenge. Virtually, it seems that hypocrisy does not pose a challenge at all in the affairs of the Cooperative. This is good because all other things being equal all stakeholders would be truthful with the facts and act in absolute honesty to ensure that there is sound business practice, which would guarantee continuous growth and expansion of the entity.

In support of the views expressed above by respondents, Batson, Collins and Powell (2006) in a study observed that moral hypocrisy is motivation to appear moral if possible and avoid the cost of actually being moral. In business, moral hypocrisy allows one to engender trust, solve the commitment problem, and still relentlessly pursue personal gain. Indicating the power of this motive, research has provided clear and consistent evidence that, given the opportunity, many people act to appear fair (e.g., they flip a coin to distribute resources between themselves and another person) without actually being fair (they accept the flip only if it favours themselves). New evidence also indicates the power of moral hypocrisy in a situation more obviously relevant to business, resource allocation when one party has information about relative resource value that the other does not. Characteristics of modern business situations likely to encourage moral hypocrisy are exist. They concluded that moral hypocrisy is not only a pragmatic virtue in modern business but is also fast becoming a prescriptive ethical issue.

Loyalty in business is faithfulness to ones employers and customers and so the opposite of loyalty is disloyalty. On the issue of disloyalty on the part of staff of the Cooperative, staff respondents indicated no member of staff of the entity had exhibited any disloyal tendency. However, some (8.3%) emphasised that a few staff had put up a behaviour that amounts to being disloyal to the credit union. It further be explained was that some of the staff sometimes divulged confidential information on members to others which was considered to be unethical business practice.

It is an undeniable fact that most employers share a concern that employees may be disloyal. Bersoff (1999) indicates that disloyalty spans a wide spectrum, from merely intentionally failing to perform tasks, accepting benefits personally that rightfully belongs to the employer, to dishonesty and theft. On his part, Stoll (2002) stresses that disloyalty can follow an employee who leaves the employer's employment taking with him/her as much business as he/she can along with what the employer considers proprietary and confidential information. Whatever, the case may be employee disloyalty can harm the organisation but in this study it has been seen that employees have hardly exhibited any act of disloyalty.

It is abundantly clear the ethical challenges the Teachers' Cooperative Credit Union faces in minimal as depicted in the responses shown in Table 3. This assertion becomes more prominent because consistently very few respondents agree that staff of the entity had been disloyal, dishonest or shown hypocrisy. Similarly, the table shows that 7.1 percent of staff and 4.3 percent of contributors pointed out that some of the staff of the credit union had displayed a trait of unfairness in their activities. The explanation given to this point of view was that a few times, some of the staff shelved their loan applications and worked on the applications of their friends even though theirs had come first. They considered this as unfortunate.

Lastly, Table 3 shows that all respondents indicated that the managers of credit union had been accountable as discussed elsewhere in this study. As a matter of fact, accountability in business dealings and this credit union is that the obligation of an individual or organisation to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner is sine qua non. It also includes the responsibility for money and other entrusted property on behalf of the members of the credit union. The bottom line of business accountability is that the individual employee or the organisation has a responsibility to perform a certain function as dictated or implied by law, regulation, or agreement. In the case of the Teachers' Cooperative Credit Union, the code of ethics embodies issues of accountability and that is being done as pointed by respondents.

Ensuring sound business ethics

The third and last objective of the study was to explore the measures that could ensure that the business of the Teachers' Cooperative Credit Union is conducted ethically. On the basis of that respondents were asked to indicate their agreement or disagreement with some proposed statements on sound ethics in business practices. The responses are presented in Table 4.

First and foremost, Table 1 shows that all respondents agreed with the statement that there should be a code of ethics for staff to guide the conduct of staff. In the view of respondents, both staff and contributors, a code of ethics that contains the Dos and Don’ts of the organisation would help regulate the conduct of staff and members of the credit union for a successful business practice. This is very attested to by Brown (2007). In his observation, Brown declares that business ethics examines ethical principles and problems that can arise in business environment. It deals with issues regarding the moral and ethical rights, duties and corporate governance between a business entity and its shareholders, employees, customers, media, government, suppliers and dealers. Carson (2003) adds that ethical considerations are vital in today's business environment and that smart businesses do all they can to make their code of ethics relevant and important to their workers and clients.

Again, Table 4 shows that all respondents agreed that to ensure sound business ethics a document detailing the rights, privileges and obligations of contributors must be prepared and given to them. Respondents specifically referred to the constitution of the credit union.

Table 4: Responses on measures can be instituted to make the THLD Teachers' Cooperative Credit Union conduct business ethically

Statements on sound business ethics	Staff responses (N=14) Agree N(%)	Staff responses (N=14) Disagree N(%)	Contributors' responses (N=350) Agree N(%)	Contributors' responses (N=350) Disagree N(%)
There should be a code of ethics for staff to guide the conduct of staff.	14(100.0)	0	350(100.0)	0
A document detailing the rights, privileges and obligations of contributors must be prepared and given to them.	14(100.0)	0	350(100.0)	0
The operations of the Cooperative must be transparent to accomplished through regular meeting for members.	12(85.7)	2(14.3)	321(91.7)	29(8.3)
Staff who misconduct themselves must be sanctioned immediately.	12(85.7)	2(14.3)	292(83.4)	58(16.6)
There should be annual shareholder meeting for accounts to be rendered.	14(100.0)	0	350(100.0)	0
The operations of the Cooperative must conform to best standards in Cooperative Credit Unions in Ghana.	14(100.0)	0	350(100.0)	0

Source: Field Survey, September 2012

They hesitated to state that there is a constitution that embodies all the privileges, rights and obligations of staff and members of the cooperatives. In effect, the document already exists and what is needed is the implementation of the provisions inherent in it.

On the issue that the operations of the Cooperative must be transparent to materialise through regular meeting, only a few staff (14.3%) and contributors (8.3%) disagreed with that proposition. This means that all the remaining staff and contributors agreed that regular meeting for staff and members is good business operations. At meetings, opportunity is given to members to express their views on how the business is run and the performance of the managers is reviewed and enables accountability and transparency to thrive.

In line with the above exposition, Table 4 shows that all respondents agreed that there should be annual shareholder meeting for accounts to be rendered. This is in tune with the state where regular meetings are held for staff and in the case of credit union, members so that its operations can be reviewed to forestall any wrong decision taken by the management. Generally, in business practice there is annual general meeting for shareholders (in this instance, contributors to credit union) where the overall operations are discussed and dividends declared.

Table 4 continued to show that all respondents agreed that to ensure the Cooperative is conducting its business ethically, its operations must conform to best standards among Cooperative Credit Unions in Ghana (CUA). The CUA has standards by which all constituent Unions must adhere to otherwise sanctions are instituted. On this basis it is inferred that the one under study has lived up to the standards.

Finally, Table 4 shows that 85.7 percent of staff and 83.4 percent of contributors agreed with the view that staff who misconduct themselves must be sanctioned immediately. They explained that the way and manner staff of the Cooperative should conduct themselves are catered for in the Code of Ethics document and the steps to follows to mete out sanctions to staff are clearly spelt out. In spite of this reality, a few staff and contributors disagreed that staff should immediately be sanctioned for misconduct. On their part, they explained that the word ‘immediately’ connotes that offending staff should be given the chance to defend themselves before the requisite sanctions are applied. They maintained that they did not disagreed that people who do wrong should not be punished but the system must fair because that also amounts to doing business ethically.

Generally, it is seen that respondents agree that certain pertinent measures are necessary to be instituted to ensure the business is run for it to achieve its ultimate objectives. Whatever step that needs to be taken should not be overlooked because in a competitive world, every business concern must conform to the best standards in the industry.

observe sound business ethics were proffered and discussed.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary, conclusions and recommendations of the study. The study was concerned with the doing business ethically with the THLD Teachers’ Cooperative Credit Union.

Summary of the study

The importance of business ethics was explored in the background to the study. In so doing, some basic facts about business operations relative to business ethics were discussed. It was realised that some big businesses had crumbled because they failed to do business ethically. On the other hand relatively small businesses had prospered because sound business ethics had been observed and followed. The statement of the problem echoed the need for cooperative credit union staff to abide by their code of ethics because if they did that would help their business run smoothly. The study was conducted around three objectives and three research questions.

The relevant literature was reviewed to suit the objectives of the study. Apart from that some theories of business ethics were reviewed. The methodology of the study was dealt with the research design, population of the study, sampling procedures used for the selection of respondents and instruments used for data collection. Other sections catered for in the methodology were pre-testing of instruments, data collection and analysis procedures. Chapter Four dealt with the results, analysis and discussion of the findings. The presentation and discussion of results was done mainly using frequency tables and simple percentages. Where it was possible relevant literature was cited to buttress the finding or discussion. Finally, Chapter Five presents the summary, conclusions and recommendations of the study.

Summary of findings

The main findings of the study are presented to reflect the three specific objectives. Firstly, specific objective one explored the extent the staff of the Twifo Hemang Lower Denkyira Teachers' Co-operative Credit Union conducted their businesses ethically. The results showed that. The results showed that: Business ethics means the Dos and Don'ts of an organisation to its employees and clients. Business ethics amounts to communicating the core values, beliefs and preferred approaches to handling situations of organisations. Business ethics also means outlining clear examples of right and wrong behaviour among staff as well as clients. Also, it found that to a large extent that most staff of the Credit Union exhibited the trait of fairness, honesty, openness and high sense of integrity. However, a few of them to showed these values to a lesser extent. Overall, THLD Teachers' Cooperative Credit Union conducted business ethically.

The second objective of the study had to do with challenges the managers and staff faced in conducting business ethically. The results showed that: There were little challenge with issues of hypocrisy, disloyalty, dishonesty and unfairness on the part of staff in the course of their work. There was no challenge with the issue of accountability.

Lastly, the third objective of the study sought for measures to be instituted to ensure that sound business ethics is observed within and outside the organisation. On this score, the study revealed that: there should be code of conduct to guide the conduct of staff, there should be guidelines to detail the rights, privileges and obligations of contributors, also there should be regular meetings to trash out matters of concern to contributors. Erring staff must be sanctioned appropriately and the operations of the Cooperative should conform to best standards in industry.

Conclusions

The essence of ethics in financial business transactions had come to the fore. This is because businesses for that matter credit unions as financial institutions has a great potential of changing the lives of members and the least any manager would do is to act unethically. In short managers of credit unions have a moral responsibility to act with utmost care so that the confidence and trust of clients, shareholders and members of the union would be sustained at all times.

The fact of the matter is that in this study, the managers and staffs of the THLD Teachers' Cooperative Credit Union were generally seen to conform to their own code of ethics. It was only in a few instances that some staff were found wanting. It is believed that the few rough edges in so far as doing business ethically in this credit union is concerned, managers and staff would heed to words of wisdom and act accordingly. The literature on business ethics indicate that businesses that do business ethically as well as legally most of the time prosper but those which cut corners fail to success and crumble.

Recommendations

A few recommendations are made based on the limited challenges that were found to be associated with doing business ethically at THLD Teachers' Cooperative Credit Union. The recommendations are as follows:

1. Managers and staff of the credit union are urged not to exhibit any act of hypocrisy, unfairness, disloyalty and dishonesty in their dealings with clients. Even though, only few of them were caught in these unethical conduct, care should be taken to ensure that fairness and honesty becomes a watch word in their business operations.
2. More over, all stakeholders of the credit union should abide each others' code of conduct.
3. Again, to ensure that business is conducted ethically, there should be open communication channels by which every one would know how to address concerns.
4. Above all, the operations of the union must be conducted in utmost transparency and in conformity with the CUA's guidelines.

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APPENDIX

Interview guide for Staff and Contributors

SECTION A: CONFORMING TO BUSINESS ETHICS

1. Businesses are expected to behave ethically, in your view which of these mean business ethics:

i. Detailing the DOs and DON'Ts of the organisation to its employees and clients.

Agree [ ] Disagree [ ]

ii. Communicating the core values, beliefs and preferred approaches to handling common and uncommon business situations.

Agree [ ] Disagree [ ]

iii. Outlining clear examples of right and wrong behaviour as it applies to business practice.

Agree [ ] Disagree [ ]

2. It is believed that the behaviour of the employees of an organisation is reflected in the way the business entity is deemed to ethical or unethical. Based on this assertion, to what extent has the staff and managers of THLD Teacher's Credit Union conformed to these ethical values.

S/N	Ethical values	To a large extent	To a lesser extent	To no extent
a.	Fairness			
b.	Honesty			
c.	Openness			

d.	Integrity			

3. Would you say that your credit union has conducted business ethically?

Yes [ ] No [ ]

3a. If yes, briefly explained how the Cooperative had conducted itself over the years.

…………………………………………………………………………………………

…………………………………………………………………………………………

3b. If no, what has accounted for the unethical business practice. Please explain:

…………………………………………………………………………………………

SECTION B: CHALLENGES OF CONDUCTING BUSINESS ETHICALLY.

4. What challenges have your Cooperative Credit Union encountered regarding its business ethics.

i. There have been some aspects of dishonesty on the part of staff.

Yes [ ] No [ ]

ii. There have been some aspects of hypocrisy on the part of staff.

Yes [ ] No [ ]

iii. There have been some aspects of disloyalty on the part of staff.

Yes [ ] No [ ]

iv. There have been some aspects of unfairness on the part of staff.

Yes [ ] No [ ]

v. There has been general unaccountability to contributor.

Yes [ ] No [ ]

vi. State other unethical conduct the staff had exhibited which goes to wane the confidence of clients:

………………………………………………………………………

……………………………………………………………………………………………

SECTION C: ENSURING SOUND BUSINESS ETHICS

5. What measures can be instituted to make the THLD Teachers' Cooperative Credit Union conduct business ethically.

a. There should be a code of ethics for staff to guide the conduct of staff.

Agree [ ] Disagree [ ]

b. A document detailing the rights, privileges and obligations of contributors must be prepared and given to contributors.

Agree [ ] Disagree [ ]

c. The operations of the Cooperative must transparent to be accomplished through regular meeting for members.

Agree [ ] Disagree [ ]

d. Staff who misconduct themselves must be sanctioned immediately.

Agree [ ] Disagree [ ]

e. There should be annual shareholder meeting for accounts to be rendered.

Agree [ ] Disagree [ ]

f. The operations of the Cooperative must conform to best standards in Cooperative Credit Unions in Ghana.

Agree [ ] Disagree [ ]