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Food Commodity Suppliers Ethical Business Formation Towards the Downstream Supply Chain in Addis Ababa.

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DECLARATION

I, the undersigned, declare that this thesis entitled “Food Commodity Suppliers Ethical Business Formation Towards the Downstream Supply Chain in Addis Ababa.”, is my original work and has not been presented for a degree in any other university or organization, and that all sources of materials used for the thesis have been duly acknowledged.

Declared by:

Name: **Roba Tufa**

Signature: _____

Date: _____

Certificate

I, Certify that Roba Tufa has conducted a Thesis entitled “Food Commodity Suppliers Ethical Business Formation Towards the Downstream Supply Chain in Addis Ababa.”, under my supervision and is original work for the requirements of Masters of Arts Degree in Logistics and Supply chain Management

Advisor Name: Shiferaw Mitiku (PhD) Signature: _____ Date: _____

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LIST OF ABBREVIATIONS AND ACRONYMS

MTIE -- Ministry of Trade and Industry of Ethiopia

FEACC -- Federal Ethics and Anti-Corruption Commission

TCCPA -- Trade Competition and Consumers Protection Authority

ECX -- Ethiopian Commodity Exchange

EFDA -- Ethiopian Food and Drug Authority

ETBA -- Ethiopian Trading Businesses Corporation

FMHACA -- Food, Medicines and Health care Administration and Control Agency

ABSTRACT

Conducting business in an ethical and responsible manner generates trust and leads to relationships that promote productivity and innovation. In contrary there are evidences that un-ethical and deliberate practices in Ethiopian businesses in more complex and hazards ways. Especially suppliers misrepresent their products by mixing food supplies with harmful/cheap items and artificially imbalances demand & supply by hiding or holding food items from market to increase price. The purpose of this study is to examine the ethical business practice of food commodity suppliers in Addis Ababa, Ethiopia. The aim is to determine awareness level of food supply chain actors on the importance of ethical business formation and the level of priority/attention level given to ethical food business operations by concerned stakeholders to control un-ethical business expansions. In addition, the study is to identify the root causes of un-ethical business formation on food commodity suppliers in and challenges for food commodity suppliers to experience ethical business formation. Suppliers of food commodity at downstream supply chain and concerned stakeholders to control un-ethical business expansions are the target population of the study. Data is collected through scheduled interview and analysis has been carried out with the help of descriptive statistics analysis method. As a result, the study finds out lower level awareness and the given attention or priority level for ethical business formation by government and other stakeholders. The study also identified causes for un-ethical business formation and challenges of suppliers to perform ethical business, from highest to lowest impact ranks.

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CHAPTER ONE

INTRODUCTION

This chapter introduces the intention of the study in detail within the following sub-categories; background of the study, research problem, objective of the study, research question/hypothesis, scopes of the study, delimitation of the study, limitation of the study, definition of terms/operational terms and organizations of the study.

1.1. BACKGROUND OF THE STUDY

Many businesses have gained a bad reputation just by being in business. To some people, businesses is interested in making money, and that is the bottom line. It could be called in its purest form. Making money is not wrong in itself. It is the manner in which some businesses conduct themselves that brings up the question of ethical behavior. For a business to be socially acceptable, it must have ethics involved. The business must be able to keep all consumers, employees and environment content. A business must also look socially acceptable and likely to please the customers. To be successful at this all must know what involved in keeping a business honest, dependable and trustworthy(Cory, 2005).

Business ethics is the behavior that a business adheres to in its daily dealings with the world. The ethics of a particular business can be diverse. They apply not only to how the business interacts with the world at large, but also to their one-on-one dealings with a single customer. Good business ethics can be viewed as the principles and standards that guide behavior in the world of business. Especially in current society, understanding and practicing the concepts of ethics is a key factor that many organizations stress among relevant bodies.

In order for businesses to survive in such a competitive and changing environment, businesses must develop strong ethical standards that can be implemented throughout the company(Suderman, 1999).

Businesses practicing good business ethics enables the business to regulate customer relation, employee conduct, as well as, develop a strong corporate atmosphere. In the business world today, creating dependable and ethical relationships with fellow business peers plays a critical role in accomplishing success within the company. The more an organization is dedicated to taking care of customers, the more customers will trust and be a base for extended profit(Cory, 2005).

Establishing success within a business is inevitably based on a network of trust binding management, employees, shareholders, lenders, suppliers, and customers. Companies or businesses that increased the programs and workshops helps the management and employees to

develop strong ethical principles and implement ethical programs can prevent and control misconduct and perform the business effectively.

Conducting business in an ethical and responsible manner generates trust and leads to relationships that promote productivity and innovation. Programs aimed to assist owners, employees, customers... etc in ethical conduct and performance allows businesses to have a sense of overall commitment for consumers and environment. Conquering such a task can allow businesses to build the framework needed to reach business success and profitability (Suderman, 1999).

In contrary there are evidences that un-ethical and deliberate practices in Ethiopian businesses in more complex and hazards ways. Nowadays the issue is common to hear through medias and became amazing discussion agenda among Ethiopians. But I don't think that ethics of business have an owner to control and aware healthy business formation in the country. So that this study is to give an over view the case and propose way forwards.

1.2. RESEARCH PROBLEM

The special importance to discuss business ethics is the fact that anti-business philosophies and actions have shaped some peoples mind here in Ethiopia and all over the world. Especially developing countries are suffering from the lack of ethical business formation, relevant awareness and polices. Ethiopia is also such a state of which the business is in multi problems such as; ethics of accounting and financial information, ethics of human resource management, ethics of sales and marketing, ethics of production, ethics of intellectual property, knowledge and skills (Asemah, O. 2013).

In many cases people responsible for selling products are family members, lacking general knowledge of marketing and ethics. Furthermore, business and family affairs are intertwined. In addition, family members with limited business management and salesmanship (mostly children) are involved in the operation of their respective family businesses. In such cases owners fail to control the daily sales transactions of the business. There are cases where they buy a product, which is momentarily not of constant demand (Suderman, 1999)..

On the other side, business ethics education is only offered in insufficient level only in few colleges and universities for students of different profession and may be not involve in business in their future. Therefore, In Ethiopia especially businesses at downstream is a free vacant area for uneducated individuals without any criteria and awareness of expected ethical responsibilities (Asemah, O. 2013).

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In discussing marketing problems, the subject of finance should not be overlooked. Shortage of funds discourages the smooth operation and development of the business. Even if there are credit facilities, some do not use the money properly for the intended purpose. Consequently, the business fails to return the money back to the lender on time. This can result in un-ethical business(Asemah, O. 2013).

The core and the worst is un-ethical and deliberate act of a businesses on its customers in more complex ways. Especially suppliers misrepresent their products by mixing food supplies with harmful/cheap items and artificially imbalances demand & supply by hiding or holding food items from market to increase price(Asemah, O. 2013).

With the understanding of the above problems in business, the study assumes that organizations, private business owners and the society in general, lacks awareness about ethics in business. Specifically, ethics of production, sales and marketing are in danger. Therefore, the research assumes that society and business owners need to know the benefits of doing a business ethically and reacting accordingly. Management skills especially in marketing areas need so as to have good customer-supplier or customer-producer relationship(Asemah, O. 2013).

Specifically, this study is concerned to the problems of supply, sales and marketing of food commodities suffering from lack of business ethics. Therefore, the study considered and focused on the following problems as a causes;
Lack of relevant awareness, lack of polices regarding ethical business formation, lack of dedicated specialized responsible body to control and guide, lacking general knowledge of marketing and ethics due to the actor's education, age & responsibility level to the business and shortage of funds and facilities which discourages the smooth operation and development of ethical businesses(Suderman, 1999)..

1.3. OBJECTIVES OF THE STUDY

1.3.1. GENERAL OBJECTIVE OF THE STUDY

General objective of this study is to examine the ethical business practice of food commodity suppliers in Addis Ababa, Ethiopia.

1.3.2. THE SPECIFIC OBJECTIVE OF THE STUDY

The specific objectives of this study is as follow;

- To determine awareness level of food supply chain actors on the importance of ethical business formation (suppliers of downstream) in Addis Ababa.
- To identify the root causes of un-ethical business formation on food commodity suppliers in Addis Ababa.
- To determine the level of priority/attention level given to ethical food business operations by concerned stakeholders to control un-ethical business expansions.
- To classify challenges for food commodity suppliers to experience ethical business formation.

1.4. RESEARCH QUESTIONS

This study attempts to answer the following research questions

- What is the awareness level of food supply chain actors on the importance of ethical business formation?
- What are the major root causes for un-ethical business formation in food commodity suppliers?
- To what level ethical business formation is given priority in food supply chain actors and concerned stockholders to control un-ethical business expansions?
- What are the major challenges for food commodity suppliers to experience ethical business formation?

1.5. SCOPE OF THE STUDY

This study attempted to cover the suppliers of food commodity at downstream supply chain's attitude towards ethical business formation in Addis Ababa. The study targets existing awareness about business ethics and bases for being showed up un-ethical business expansions. It also examines relevant ethics governance bodies strength.

Food commodities are of many line items and different in kind. So that it is impossible to reach each in this study. Only selected five lineitems from more sensitive supplies will be conducted. On the other side, it is not possible to cover all the sub-cities of Addis Ababa, due to uneven distribution of the suppliers and financial/time constraints. Therefore, the study is delimited to the suppliers of food commodity at any location in Addis Ababa sub-cities during the year 2019.

1.6. DLIMITATIONS OF THE STUDY

It is better to include few suppliers among those involving in un-ethical business. But everybody simply knows it is illegal and harmful for the customers. Therefore, suppliers who involving in such businesses will not want to be known and disclose the issue. So that it is difficult to expect and include in this study.

In addition, this study targeting Addis Ababa case. But Addis Ababa is of many scattered sub-cities and surrounding semi-rural communities which are of different economic status, understanding of the subject matter, business scale, number of suppliers...etc. Therefore, only selected suppliers of similar status at any location is covered.

1.7. THE LIMITATIONS OF THE STUDY

The limitation of this study is unavailability of similar or most relevant studies conducted in the country or neighboring. The other is respondents resistance to provide information easily suspecting if it is for tax purpose.

1.8. DEFINITION OF THE TERM/ OPERATIONAL TERM

Food Commodity Suppliers: -in this study context is suppliers of any raw, semi-processed and food spices/components product providers for sale to consumers. Not include fully processed food providers anywhere like at restaurant. Downstream suppliers are those at distribution of supplies directly to consumers. Not include supplies at production site or wholesalers. Ethical business formation means-Ethical business practice or performance attitudes of the suppliers.

1.9. ORGANIZATION OF THE STUDY

This research is organized under five chapters. chapter one includes: introduction, background of the study, research problem, objective of the study, research question/hypothesis, scopes of the study, delimitation of the study, limitation of the study, definition of terms/operational terms and organizations of the study. The second chapter deals with review of related literature which includes: theoretical literature review, empirical literature review, conceptual framework of the study and identified literature gap. Third chapter focuses on methodology. Fourth chapter is about results, discussion, and interpretation and the fifth chapter presents summary of the findings, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents theoretical literature reviews, empirical literature review, conceptual framework of the study and identified literature gaps in relation to food commodity suppliers ethical business formation towards the downward supply chain perspective.

2.1. Theoretical Literature Review

2.1.1 History of Ethics in Business

Business ethics being part of the larger social ethics, always been affected by the ethics of the epoch. At different epochs of the world, people, especially the elites of the world, were blind to ethics and morality which were obviously unethical to the succeeding epoch. History of business, thus, is tainted by and through the history of slavery history of colonialism and later by the history of cold war. The current discourse of business ethics is the ethical discourse of the post-colonialism and post-world wars. The need for business ethics in the current epoch had begun gaining attention since 1970s (Ayoob, and Zierler, 2006)

Historically, firms started highlighting their ethical stature since the late 1980s and early 1990s, as the world witnessed serious economic and natural disasters because of unethical business practices. The Bhopal-Disaster (1984) and the fall of Enron (2001) are instances of the major disasters triggered by bad corporate ethics. It should be noted that the idea of business ethics caught the attention of academics, media and business firms by the end of the overt Cold War. Cold Wars, seen through pages of history were fought through and fought for American business firms abroad. Ideologically, promotion of firms owned by American nationals were presented as if it were freedom and the local resistance against the excess of American firms were labeled as communist uprising sponsored by the Soviet Block.

Further, even legitimate criticism against unethical practice of the firms were presented as if it were infringement into the 'freedom' of the entrepreneurs by activists backed by communist totalitarians. This scuttled the discourse of business ethics both at media and academics. Overt violence by business firms have decreased to a great extent in the democratic and media affluent world of the day, though it has not ceased to exist. The war in Iraq is one of the recent example of overt violence by the liberal western states on the behalf of oil business interests (Ayoob, and Zierler, 2006)

With this regard, business enterprise particularly multinational corporations received a very different review from the ethicists of this era (Cotton, 1998). In the 80s, there was very little concern for ethics in the world of business. Because of the many scandals that were beginning to

erupt within the world of business and finance, an awakening to the need for ethics is considered. The problem is that in the 90s, the concern for ethics has not returned us to any absolute standard of ethics, but rather to a search for relative balance between ethics and the bottom line or personal values (Cotton, 1998).

2.1.2 Definition of Business Ethics

Ethics is the study of moral obligation involving the distinction between right and wrong (Kreitner, 1998). Business ethics tightens the definition to only productive organizations. Ethics, the search for 'a good way of being' for a wise course of action, as it could be practiced by business firms is called business ethics. Ethics in business deals with the ethical path business firms are convinced to adopt. Enriching the capability of the system in which it is functioning. Being fair in all its dealings with its proximate and remote stakeholders being prepared to correct its mal-habits and nurturing an enduring virtuous corporate character in totality, can be called business ethics.

It is often suggested from extended utilitarian/ consequentialist position that businesses can often attain short-lived gains by acting in an unethical fashion; however, such behaviors tend to undermine the economy over time. For those who uphold the principles of virtue-ethics, all that matters is corporations maintaining character of honesty, fairness and humaneness than being ethical for the sake of better consequences (Friedman, 1984).

2.1.3 General business ethics

If a company's main purpose is to maximize the returns to its shareholders, then it should be seen as unethical for a company to consider the interests and rights of anyone else. This part of business ethics overlaps with the philosophy of business, one of the aims of which is to determine the fundamental purposes of a company (Friedman, 1984).

Corporate social responsibility or CSR: an umbrella term under which the ethical rights and duties existing between companies and society is debated. Issues regarding the moral rights and duties between a company and its shareholders: fiduciary responsibility, stakeholder concept v. shareholder concept. Ethical issues concerning relations between different companies: e.g. hostile take-overs, industrial espionage. Leadership issues: corporate governance; Corporate Social Entrepreneurship, Political contributions made by corporations, Law reform, such as the ethical debate over introducing a crime of corporate manslaughter and the misuse of corporate ethics policies as marketing instruments (Friedman, 1970)

2.1.4 Why Business Ethics?

Ethics is important not only in business but in all aspects of life because it is an essential part of the foundation on which of a civilized society is build. A business or society that lacks ethical principles is bound to fail sooner or later. Discussion on ethics in business is necessary because, business can go unethical, and there are plenty of evidences as in today on unethical corporate practices (Cory, 2005).

Adam Smith, in whose name neo-liberal laissez-faire is advocated opined that ‘People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices’ Business does not operate in vacuum. Firms and corporations operate in the social and natural environment. By virtue of existing in the social and natural environment, business is duty bound to be accountable to the natural and social environment in which it survives (Smith, 1776).

On the other hand experts of deontological ethics and virtue ethics-postulate that what matters is the motive to be ethical than the consequential fallout. Jacques Cory, a noted business ethicist observes, “companies should behave ethically and be profitable in parallel, and even if ethics diminishes the profitability of the company, they should still behave ethically”. Seen from the Kantian Ethical Perspective Business has to consider its remote and proximate stakeholders as ends in themselves and not merely as means toward some other end. A business becomes ethical by assuming the responsibility of translating the abstract ethical injunctions into series of obligations (Cory, 2005).

However, while translating, we do not just abide by the a priori ethical injunctions or codes rather respond to the situation in its contextual singularity pragmatically choosing the best alternative course of response from the multiple possibilities. In other words, ethics is a matter of 'responsibility in the experience of absolute decisions made outside of knowledge or given norms' (Cory, 2005).

2.1.5 Business Ethics as Applied Ethics

Business ethics (also known as Corporate ethics) is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals in business and business organizations as a whole. Applied ethics is a field of ethics that deals with ethical questions in many fields such as medical, technical, legal and business ethics (Drucker, 1981).

In the increasingly conscience-focused marketplaces of the 21st century, the demand for more ethical business processes are increasing. Simultaneously, pressure is applied on industry to improve business ethics through new public initiatives and laws. Businesses can often attain short-term gains by acting in an unethical fashion; however, such behaviors tend to undermine the economy over time (Drucker, 1981).

2.1.6 Business Ethics as Normative and Descriptive Ethics

Characteristically, business ethics can be both normative and descriptive. It is said to be normative because it takes the practical task of arriving at moral standards through advocating good habits a business firm should necessarily acquire, duties it should follow, virtues it should maintain and the overall utility it should maximize. It is sometimes evaluated as descriptive ethics because it outlines ethical belief patterns of various business firms and explain them. The

range and quantity of business ethical issues reflects the degree to which business is perceived to be at odds with economic as well as non-economic social and environmental values (Drucker, 1981).

2.1.7 Business and Social issues

A business firm not only in international setting needs to ask itself three questions before proceeding with any activity: is the action profitable, is it legal, and is it ethical? If an action is not profitable, it will not be undertaken. If it would be profitable, then the decision-makers need to evaluate whether it also would be legal and ethical. On the other hand, Suderman (1999) believed that the need for business to act more socially responsible is increasing.

Technology, international markets, and new social problems have magnified the awareness of what the function of business should be (Suderman, 1999). Half a century ago, the mission was clear - profits. In the modern world, society has placed a great emphasis on social issues and because business touches every aspect of society, strict demands are placed on it. The controversy between business and social issues has long been debated, but is starting to meet level ground. Out of this understanding come some guidelines for every institution to ideally follow.

The first proposition is that "social responsibility arises from social power" (Davis, 1990). This suggests that if a business has power, it should take responsibility for its actions. Business is anchored to an iron law of responsibility which states "in the long run, those who do not use power in a way that society considers responsible will tend to lose it" (Kreitner, 1998). The business should take into account the effect its acts have on others and promote the quality of life as a whole (Suderman, 1999).

The second guideline is that "business shall operate as a two-way open system with open receipt of inputs from society and open disclosure of its operations to the public" (Davis, 1990). This guideline indicates that business should listen to social needs and wants (Suderman, 1999). The communication between business and society demands improvement. It is claimed that business only reveals the good aspects, but rarely the bad aspects in its public relations. Business should undergo a social audit in much of the same way as it undergoes an accounting audit to accomplish this objective (Davis, 1990).

The third proposition states that "social costs including the benefits of an activity, service and products shall be systematically computed and measured in order to choose whether to go on with it" (Davis, 1990); which means that business should consider the long-term effects of its activities on society as well as short-term effects. A product may be considered beneficial today, but the long-term use of the product may be harmful to the environment (Suderman, 1999).

The fourth guideline is that the "social costs of each activity, product, or service shall be priced into it so that the consumer pays for the effects of his consumption" (Davis, 1960). The

consumer will pay for all costs involved in goods and services, including social costs. Usually, "society or someone else has had to bear these social costs while the consumer benefited from the reduced product price" Davis, (1990). The goal behind this proposition is the social costs are caused by the consumption of a good or service, so the consumer should be responsible for as much of it as possible. If the higher price deters consumers from buying a product or service, it is still beneficial to society because the social costs of consumption are averted.

The final proposition is that "beyond social costs, business institutions as citizens have responsibilities for social involvement in areas of their competence where major social needs exist". Business is not responsible for every social problem that arises, but should help to solve them. A business is part of society, so it should maintain the same responsibilities as an ordinary citizen. Business will benefit from the solutions to social problems, so it should apply its core competencies to help alleviate them (Suderman, 1999).

2.1.8 Business ethics as an academic discipline

As an academic discipline, business ethics emerged in the 1970s. Since no academic business ethics journals or conferences existed, researchers published their papers in general management outlets, and attended general conferences, such as the Academy of Management. Over time, several peer-reviewed journals appeared, and more researchers entered the field. Especially, higher interest in business topics among academics was observed after several corporate scandals in the earlier 2000s. As of 2009, sixteen academic journals devoted to various business ethics issues existed, with Journal of Business Ethics and Business Ethics Quarterly being considered the leading A+ outlets (Serenko, and Bontis, 2009).

The International Business Development Institute, a global non-profit organization, is a self-regulated organization that represents 217 nations and all 50 United States offering a Charter in Business Development (CBD) that focuses on ethical business practices and standards. The Charter is administered and directed by top Harvard, MIT, and Fulbright Scholars, and it includes graduate-level coursework in economics, politics, marketing, management, technology, and legal aspects of business development as it pertains to business ethics. IBDI also oversees the International Business Development Institute of Asia, which provides individuals living in 20 Asian nations the opportunity to earn his or her CBD or CIBD Charter (Serenko, and Bontis, 2009).

2.1.9 Religious views on business ethics

The historical and global importance of religious views on business ethics is sometimes underestimated in standard introductions to business ethics according to Albertson, (2007) author of The Gods of Business book. Particularly in Asia and the Middle East, religious and cultural perspectives have a strong influence on the conduct of business and the creation of business values.

Examples include; Islamic banking, associated with the avoidance of charging interest on loans, Traditional Confucian disapproval of the profit-seeking motive and Quaker testimony on fair dealing (Albertson, 2007).

2.1.10 The Stakeholder Theory

According to this theory, managers act as agents for the stockholders. They are empowered to manage the money advanced by the stockholders, but are bound by their agency relationship to do so exclusively for the purposes delineated by their stockholder principals. They work to maintain the interest of stakeholders. The existence of this fiduciary relationship implies that managers cannot have an obligation to expend business resources in ways that have not been authorized by the stockholders regardless of any societal benefits that could be accrued. This implies that a business can have no social responsibilities (Ayoob, and Zierler, 2006).

Their social responsibility is to increase their money by using resource properly. Stakeholder theory holds that effective management requires the balanced consideration of and attention to the legitimate interests of all stakeholders, defined as anyone who has a stake in or claim on the firm. This has been interpreted in both a wide sense that includes any group or individual who can affect or is affected by the corporation and a narrower sense that includes only those groups who are vital to the survival and success of the corporation. It is perhaps more familiar in its narrow sense in which the stakeholder groups are limited to stockholders, customers, employees, suppliers, management, and the local community. Thus, as an empirical theory, the stakeholder theory asserts that a business's financial success can best be achieved by giving the interests of the business's stockholders, customers, employees, suppliers, management, and local community proper consideration (Ayoob, and Zierler, 2006).

2.1.11 The Social Contract theory

It asserts that all businesses are ethically obligated to enhance the welfare of society by satisfying consumer and employee interests without violating any of the general rules of justice. The social contract theory is explicitly modeled on the political-social contract theories of thinkers such as Thomas Hobbes, John Locke, and Jean-Jacques Rousseau. The social contract theory is based on an implicit agreement between society and business firms in which society recognizes the existence of the entity by using resources on the condition that it serves the interests of society in certain specified ways like ethical operation and social responsibility. This generalization may be thought of as giving rise to a social contract with two terms: the social welfare term and the justice term (Serenko, and Bontis, 2009).

2.1.11.1 The social welfare term: recognizes that the members of society will be willing to authorize the existence of businesses only if they gain by doing so. Further, there are two distinct capacities in which the members of society stand to gain from businesses: as consumers and as

employees. As consumers, people can benefit from the existence of businesses in at least three ways:

Firstly, businesses provide increased economic efficiency by maximizing the advantages of specialization, improving decision-making resources, and increasing the capacity to acquire expensive technology.

Secondly businesses provide stable levels of output and channels of distribution.

Thirdly they provide increased liability resources from which to compensate injured consumers (public goods). As employees, people can benefit from the existence of businesses by receiving increased income potential, diffused personal legal liability for harmful errors, and the ability to participate in income-allocation schemes separated from the vicissitudes of their capacity to produce (Serenko, and Bontis, 2009).

However, businesses can also have negative effects on consumers and employees. People's interests as consumers can be harmed when businesses pollute the environment and deplete natural resources, undermine the personal accountability of its constituent members, and misuse positional power. Therefore, when fully specified, the social welfare term of the social contract requires that businesses act so as to benefit consumers by increasing economic efficiency, stabilizing levels of output and channels of distribution, and increasing liability resources; benefit employees by increasing their income potential, diffusing their personal liability, and facilitating their income allocation; while minimizing pollution and depletion of natural resources, the destruction of personal accountability, the misuse of political power, as well as worker alienation, lack of control over working conditions, and dehumanization(Serenko, and Bontis, 2009).

2.1.11.2 The justice term: recognizes that the members of society will be willing to authorize the existence of businesses only if businesses agreed to remain within the bounds of the business ethics and social responsibility. Admittedly, precisely what these responsibilities require is far from what already settled. However, since there seems to be general agreement that the least they require is that businesses “avoid fraud and deception show respect for their workers as human beings, and avoid any practice that systematically worsens the situation of a given group in society, it is reasonable to read the justice term as requiring at least this much (Serenko, and Bontis, 2009).

2.1.12 Conflicting interests

Business ethics can be examined from various new 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 or more of the parties, such that serving the interest of one party is a detriment to the others. For example, a particular outcome might be good for the employee, whereas, it would be bad for the company, society, or vice versa (Henry, 1998).

2.1.13 Ethics of sales and marketing (marketing ethics)

Marketing, which goes beyond the mere provision of information about (and access to) a product, may seek to manipulate our values and behavior. To some extent society regards this as acceptable, but where is the ethical line to be drawn? Marketing ethics consists the following but not limited (Brenkert, 1999).

Pricing: price fixing, price discrimination, price skimming, *Anti-competitive practices:* these include but go beyond pricing tactics to cover issues such as manipulation of loyalty and supply chains, *Specific marketing strategies:* green wash, bait and switch, shill, viral marketing, spam (electronic), pyramid scheme, planned obsolescence, *Content of advertisements:* attack ads, subliminal messages, sex in advertising, products regarded as immoral or harmful, *Children and marketing:* marketing in schools, *Black markets, grey markets...* (Brenkert, 1999)

2.1.14 Ethics of production

This area of business ethics usually deals with the duties of a company to ensure that products and production processes do not cause harm. Some of the more acute dilemmas in this area arise out of the fact that there is usually a degree of danger in any product or production process and it is difficult to define a degree of permissibility, or the degree of permissibility may depend on the changing state of preventative technologies or changing social perceptions of acceptable risk. Production ethics consists the following (Brenkert, 1999).

Defective, addictive and inherently dangerous products and services (e.g. tobacco, alcohol, weapons, motor vehicles, chemical manufacturing, bungee jumping). Ethical relations between the company and the environment: pollution, environmental ethics, carbon emissions trading. Ethical problems arising out of new technologies: genetically modified food, mobile phone radiation and health. Product testing ethics: animal rights and animal testing, use of economically disadvantaged groups (such as students) as test objects (Brenkert, 1999)..

2.1.15 Corporate Social Responsibility toward Positive Impact on Society

Corporate social responsibility is one of the management strategies where companies try to create a positive impact on society, while doing business Asemah, Edegoh and Anatsui, (2013). Organizations need to cater for the environment where they carry out their operations so as to earn the goodwill of their stakeholders and this in turn enhances the performance of the organization financially and other areas. Thus, Robins, (2008) avers that the main idea of CSR is that companies should accept that they play in society more than just an economic role. It means an interest to take liability not only for activities and impact in business, but also responsibility for their impact on society and environment. This commitment as noted by Robins (2008) is thereafter perceived as a significant competitive advantage mostly in high developed countries. Sources of the advantage lay on a wide range of socially responsible activities, which can be targeted on three areas, in terms of CSR.

Corporate social responsibility (CSR) can be seen as the "economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time" (Carroll and Buchholtz 2003, cited in Asemah, O. (2013)). The concept of corporate social responsibility means that organizations have moral, ethical and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law. Carroll and Buchholtz's four-part definition of CSR makes clear the multi-faceted nature of social responsibility (Asemah, O. 2013).

It is no longer acceptable for a corporation to experience economic prosperity in isolation from those agents impacted by its actions. A firm must now focus its attention on both increasing its bottom line and being a good corporate citizen. Keeping abreast of global trends and remaining committed to financial obligations to deliver both private and public benefits have forced organizations to reshape their frameworks, rules and business models. To understand and enhance current efforts, the most socially responsible organizations continue to revise their short- and long-term agendas, to stay ahead of rapidly changing challenges. Corporate responsibility is therefore a prominent feature of the business and society literature, addressing topics of business ethics, corporate social performance, global corporate citizenship, and stakeholder management (Asemah, O. 2013).

2.1.16 Areas of Corporate Social Responsibility

There are several types of corporate social responsibility programs; they are;

a) **Employee Health and Wellness:** Organizations have to be socially responsible to their employees. The employees are an organization's greatest assets. Since the longevity of employees is influenced by the lifestyle choices that they make, organizations need to offer tools and incentives that encourage employees to adopt or maintain healthy lifestyles. There is also Asemah, O. (2013) the need to offer a variety of benefits aimed at protecting employees' physical and emotional health.

b) **Environmental Integrity:** Corporate social responsibility also covers commitment to protecting and even improving the environment for the benefit of current and future generations. Environmental protection and preservation makes sound business sense. It not only enriches the lives of our employees, our clients and their loved ones, it can also reduce our expenses and improve our bottom line. Through actions such as, but not limited to, using energy-efficient properties, reducing our reliance on paper and investing in alternative energy and clean air technology. Environmental responsibility covers precautionary approaches to prevent or minimize adverse impacts support for initiatives, promoting greater environmental responsibility, developing and diffusing environmentally friendly technologies and similar areas (Asemah, O,2013).

c) **Ethical Responsibilities:** Ethical responsibilities are responsibilities that a company puts on itself because its owners believe it is the right thing to do; not because they have an obligation to do so. Ethical responsibilities could include being environmentally friendly, paying fair wages or refusing to do business with oppressive countries, for example (Smith, n.d). Ethical CSR entails incorporating responsible practices that minimize the societal harms of business operations Lantos, (2001), cited in Asemah, O. (2013). There are many ways for organizations to implement ethical business practices; these include minimizing environmental pollution from manufacturing facilities and providing healthcare benefits to employees.

d) **Legal Responsibilities:** A company's legal responsibilities are the requirements that are placed on it by the law. Next to ensuring that organization is profitable, ensuring that it obeys all laws is the most important responsibility, according to the theory of corporate social responsibility. Legal responsibilities can range from securities regulations to labor law, environmental law and even criminal law (Smith, n.d, cited in (Asemah, O, 2013).

e) **Philanthropic Responsibilities:** Philanthropic responsibilities are responsibilities that go above and beyond what is simply required or what the company believes is right. They involve making an effort to benefit society; for example, by donating services to host communities, engaging in projects to aid the environment or donating money to charitable causes. Philanthropic corporate social responsibility involves giving funds, goods or services, sometimes serving as advertising. For example, the local branch of a bank might donate money to fund uniforms for a school sports team or a health care company might donate to the city opera. Philanthropic CSR describes a company's support for a cause or activity that occurs outside of their business operations, but provides benefit to society (Asemah, O, 2013).

f) **Economic Responsibilities:** An organization's first responsibility is its economic responsibility; that is to say, an organization needs to be primarily concerned with turning a profit. This is for the simple fact that if a company does not make money, it will not last, employees will lose jobs and the company will not even be able to think about taking care of its social responsibilities. Before a company thinks about being a good corporate citizen, it first needs to make sure that it can be profitable (Smith, n.d). This implies that economic responsibility covers areas like integrity, corporate governance, economic development of the community, transparency, prevention of bribery and corruption, payments to national and local authorities, use of local suppliers, hiring local labor and similar areas (Asemah, O, 2013).

2.2. EMPIRICAL LITERATURE REVIEW

There are only very few or no sufficient published studies similar title and objective with this study. Most available studies are not specific and intended more of general ethics or other issues of businesses disregarding the most sensitive issue of food commodity suppliers ethical practice. However, there are few more or less relevant literatures published in different topics and objectives. Accordingly, the following four studies are selected specifically the first one is reviewed in detail because it is relatively relevant to this study than the others;

1, Marketing Ethics Practices of Small Businesses and their Effect on Consumer Purchase Intention: An Empirical Investigation from Addis Ketema Sub-city at Madawalabu University (Ethiopia) by Abdulnasir AM. in 2015.

2, The Business Ethics Practice: The Case of East Africa Bottling SC., Addis Ababa Plant, St. Mary's University By Muse Girma in July 2016,

3, The effects of business ethics on consumers' perceptions of merchandizing and service giving businesses in Mekelle University by Gebeyehu Jalu Negassa in 2015 and

4, Business Ethics as field of teaching, training and research in East Africa at Nkumba University in Entebbe, Uganda, by Michael Mawa in 2011.

2.2.1. Marketing Ethics Practices of Small Businesses and their Effect on Consumer Purchase Intention: An Empirical Investigation from Addis Ketema Sub-city at Madawalabu University (Ethiopia) by Abdulnasir AM. in 2015.

The study is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited (*Abdulnasir, A. 2015*).

The research was to investigate marketing ethics practices of small business firms, in Addis Ketema sub city and their effect on consumers' purchase intention. According to the research, Addis Ketema sub-city is one of the densely populated areas in Addis Ababa city where many small business enterprises dominate the market area. According to micro and small enterprise

development agency a small enterprise can be defined as an enterprise having the number of employees from 6-30 and with capital of Br 1,500,000 for manufacturing and Br 500,000 for service sector (*Abdulnasir, A. 2015*).

The importance of small businesses in Ethiopia can be seen by the great focus of government to the sector. Having the fact that small business enterprises contribute enormously to the growth and development of nation's economy, there are various sectors under this enterprise, which need proper control in their marketing activity. Among those sectors, which are found in Addis Ketema sub-city is clothing sector of which retailing clothing stores, generally referred to as 'boutiques', dominate the market. Despite the great contribution of small businesses, there are ethical issues in the market, which create problems to the consumer (*Abdulnasir, A. 2015*).

Among those problems, the mixing of new and secondhand clothes price fixing, and selling poor quality products are some. Thus, the researcher was aimed to assess ethical issues arising in the marketing ethics practices of small sized cloth shops in Addis Ketema sub-city and their effect on consumers' purchase intention (*Abdulnasir, A. 2015*).

In order to do so, the researcher first collected data from consumers and used both qualitative and quantitative type of research to know the effect of unethical marketing practice of cloth shops on consumers purchase intention. In the process of collecting data, the researcher took 291 small sized cloth shop consumers using a Time Location sampling technique. After data collection, it was analyzed using descriptive statistics techniques, like tables and percentages, mean, standard deviations, graphs, frequency and logistic regression (inferential statistics).

As a results or findings of this studywith regard to educational background of the respondents;respondents with 2.1% were illiterate whereas 10 of the respondents were categorized under 4-8 class forming 4.1%. The other 65 of the respondents with 27% were under the category of 8-12 class, 105 of the respondents were under the category of diploma forming 43.6%, and the remaining 56 respondents with 23.2% were under the category of first degree and above. This shows that most of the respondents can easily be communicated. In relation to the purchase frequency of respondents 52 of them said they are frequent buyers accounting for 21.6%, 163 of them said they are moderate accounting for 67.6%, and the remaining 26 respondents said they rarely purchase cloth items from the small businesses accounting for 10.8%. This shows majority of the respondents were frequent and moderate purchasers(*Abdulnasir, A. 2015*).

As stated un-ethical issues among small sized cloth shops 8 issues pertaining to product safety; product quality, outdated product, absence of truth telling, excuse for timing problem, selective service for some clients, sell product as if unavailable in other stores, pressuring consumers, and not returning defective products) are described below(*Abdulnasir, A. 2015*).

Product quality. Based on the survey result small sized cloth shops in Addis Ketema sub-city provide poor quality products to their consumers. In countries, like Ethiopia, it is common practice to provide inferior quality products with low cost, mainly because of the economic status of the society. This was supported by a comment from one of the respondents saying ‘I have been active consumer from the small sized cloth shops but what makes me feel bad is the inferior quality of products they provide and I am forced to purchase that product because I do not have enough money’. In fact, we cannot conclude economic capacity alone forces people to purchase inferior quality products. However, there are many factors, one of which is absence of consumer protection act. Some business firms provide inferior quality products at a price where good quality product should be provided. Concerning this, another respondent commented that ‘I am forced to purchase inferior quality products while I am expecting good quality products mainly because no one is controlling firms’ activities’. The issue of controlling firms’ activity is one of the major ingredients in consumer protection act. (*Abdulnasir, A. 2015*).

Outdated products. The survey result shows even though providing outdated products is unethical whether in food and medical products or cloth products, it is more critical in food and medical products. However, as the study is about being ethical or not it is necessary to look at the provision of outdated products in cloth shops. The survey result shows that the ethical practices outweigh unethical ones in small sized cloth shops. That is, the finding shows that most of small sized cloth shops do not provide outdated products. Hence, small sized cloth shops seem to be ethical in this aspect(*Abdulnasir, A. 2015*).

Absence of truth telling. With regard to absence of truth telling, According to Vermillion et al. the awareness of marketing ethics have created a general trend in business thought and practice towards focusing greater attention upon the parallel or intersecting interests of buyers and sellers within marketing interactions. Consumers, being one of the stakeholders, need to get accurate information about what they are purchasing. If they do not get true information, then they get dissatisfied. Accordingly, the above finding shows that small sized cloth shops do not tell the complete truth about product, implying small business firms’ loss credibility and in the long run their market might be collapsed(*Abdulnasir, A. 2015*).

Do not excuse for timing problem. Business firms sometimes face the problem of delay in products that can cause dissatisfaction of consumers. However, business firms try to reduce the dissatisfaction of consumers by giving excuse. As indicated in the finding, most small sized cloth shops excuse for consumers when they face delay. This implies that most small sized cloth shops tend to be ethical by excusing to their consumers for timing problem(*Abdulnasir, A. 2015*).

Selective service for some clients. From the finding, we can understand that discriminating consumers exist among small sized cloth shops in the sub-city. Discriminating consumers involves providing a good service or product to one consumer and denying it to the other where the two consumers should be treated equally. Especially, in small business firms, where most of the businesses are family owned, marketers may provide superior satisfaction to what they claim

their best friend or relative. This paves the way to be unethical in business environment(*Abdulnasir, A. 2015*).

Sell products as if they are unavailable in other stores. As indicated from most of the respondents,deceiving consumers is one of the unethical marketing practices that make consumers dissatisfied. One way of deceiving consumers is to tell them one of the products in their store is unavailable everywhere in the market and sell it to them. As indicated in the finding of the study majority of the respondents think they are deceived by small sized cloth shops implying the existence of unethical practice in this aspect.

Pressuring consumers to make purchase. The result briefly depicts that this item accounted 2.91 mean score. Sometimes marketers persuade consumers to purchase products that they do not intend to buy. In fact, one of the objectives of marketing is persuading and marketers try to persuade consumers to achieve their marketing goal. However, some business firms over utilize their persuading skill to pressure consumers in to making poor quality product and they become un-ethical. The finding on this aspect indicates that pressuring consumers in to making poor quality product does not exist at large in small sized cloth shops. This implies unethical behavior in this aspect does not exist in small sized cloth shops(*Abdulnasir, A. 2015*).

Not returning defective products. According to the response of consumers, business firms may sometimes deliver defective products to consumers and some consumers request business firms to return the defective products. Ethical business firm does not want to argue on defective products; rather they accept the return with excuse. However, unethical firms do not want to accept the return. In case of small sized cloth shops in the sub-city, most respondents took the affirmative side. That is, they affirmed that not returning defective products exist among small firms. This implies that firms are in unethical practice in this aspect(*Abdulnasir, A. 2015*).

In general, the eight items mentioned above scored a total mean of 24.25, which is above the average and near to the maximum score. As stated in the methodology a maximum total mean score among unethical issue implies unethical behavior. Thus, product safety (expressed in terms of product quality, outdated products, absence of truth telling, not excusing for timing problem, selling products as if unavailable in other stores, provide selective service for some clients, pressuring consumers, and not returning defective products) have a tendency towards the maximum score. This implies the existence of unethical practice in the product safety aspect.

Pricing issues. As indicated at the beginning, pricing ethics consists five items in it, namely; charging set price for a single item, providing high priced product deliberately, charging skimming price, price fixing, and charging different price for the same product. Therefore, the result of each of the five items are discussed as following;

Therefore, the above finding indicates that small sized cloth shops are not largely involved in selling a set of products separately at high price, which implies non-existence of unethical behavior in charging set price for a single item. Normally speaking, any business is expected to

satisfy consumers by providing products that they desire. The above finding also shows that most respondents think small business firms do not provide high priced products only, rather they provide other choices for consumers. This implies unethical behavior does not exist among small sized cloth shops in this aspect.

Product assortment issues. The survey result on product assortment issue holds the result of three items, namely changing brand of product, providing high priced products only, and providing products separately from its set;

By providing the counterfeited product business firms try to get abnormal profits and behave unethically. The above finding also shows that small sized cloth shops in Addis Ketema sub-city change brand of forfeited cloth with the original one and sell it as an original cloth. Hence, there is unethical business practice in this aspect(*Abdulnasir, A. 2015*).

The above finding shows that small sized cloth shops in Addis Ketemasubcity do not exhibit unethical practices in the area of arranging high priced products only.

The above finding shows that small sized cloth shops try to hide or separate products that are to be sold together and they sell it individually. This implies business firms tend to be unethical in the area of providing products separately from the set. Therefore, it implies the existence of unethical product assortment practice among small sized cloth shops in Addis Ketema sub-city(*Abdulnasir, A. 2015*).

The researcher concluded most of the consumers responded that the small sized cloth shops provide poor quality products that can create dissatisfaction among users of the product. Small sized cloth shops in Addis Ketema sub-city do not tell the complete truth about product to consumers. This implies that small business firms perform un-ethical practice by not telling the complete truth about a product to consumers and hence dissatisfying them. Discriminating consumers exist among small sized cloth shops in the sub-city. Discriminating consumers involves providing a good service or product to one consumer and denying it to the other where the two consumers should be treated equally.

Especially, in small business firms, where most of the businesses are family owned, marketers may provide superior satisfaction to what they claim their best friend or relative. This paves the way to be unethical in business environment. One way of deceiving consumers is to tell them one of the products is unique to their store only or it is unavailable in other areas in the market and sell it to them. As indicated in the finding of the study majority of the respondents think they are deceived in such a way by small sized cloth shops implying the existence of unethical practice in this aspect(*Abdulnasir, A. 2015*).

Theoretically, unethical marketing practices are negatively related to purchase intention of consumers. However, low awareness level about unethical firms, among other things, may reverse the relationship in to a negative one as indicated in the finding(*Abdulnasir, A. 2015*).

Marketing ethics is the sub set of business ethics which shares similar terms and concepts with business ethics. Accordingly, Marketing ethics deals with the systematic study of how moral standards are applied to marketing decisions, behaviors and institutions. According to Vermillion, et al. the awareness of marketing ethics has created a general trend in business thought and practice towards focusing greater attention upon the parallel or intersecting interests of buyers and sellers within marketing interactions. Value, formerly conceptualized within the context of discrete transactions (a “transactional focus”), is now often comprehended to derive primarily from the development and maintenance of long-term relationships with customers, suppliers, and other stakeholders.

Therefore, the study recommended based on the conclusions made in the above section the researcher recommends marketers, consumers, and concerned government bodies the following. It is advisable for concerned government bodies to bring more ethical and competitive firms to the market so that high competition in the market will benefit consumers in a way that small business firms in Addis Ketema sub-city provide quality cloth products. One way to accomplish this could be bringing competitive cooperative firms(*Abdulnasir, A. 2015*).

It is better for marketers to tell consumers the complete truth about the product that they are selling. This can be done by establishing a proper information system for cloth products so that the information about products (price, grade, country of production, etc.) can be displayed in major malls. Additionally, the information board help consumers to differentiate those items with supplementary packages. It is worth for small business owners to attach a price tag in the cloths so that they can provide products to consumers without price discrimination. It is highly recommendable for small business owners to establish assurance policy on defective products. This warranty policy helps consumers to return defective cloth products to shops where they purchase the product. The warranty policy not only benefits consumers but also it benefits small business owners in a way that small business owners also get trust from consumers(*Abdulnasir, A. 2015*).

It is also advisable for consumers to form a consumer association that can monitor unethical marketing practices in the market like charging high price for products that should be fair enough if charged with normal price. Concerned government bodies like ministry of trade and industry need to speed up the implementation of consumer protection act in the country so that the act protect consumers from price fixing and other unethical market practices. Cloth manufacturers need to attach a sticker to clothes that cannot be easily altered or faded so that their brand may not be easily counterfeited. Additionally, it is better if manufacturers add special tags in the clothes to differentiate them from others. The relationship between firms’ unethical practice and consumers purchase intention brought unexpected result that shows a positive relationship between them. Purchasing products from unethical firms may encourage unethical practices. As a result, it is advisable for chamber of commerce, trade and industry office, and other institutions to conduct a wide range of awareness program for consumers(*Abdulnasir, A. 2015*).

2.2.2. The Business Ethics Practice: The Case of East Africa Bottling SC., Addis Ababa Plant, St. Mary's University By Muse Girma in July 2016,

The study was to observe the practices of business ethics at East Africa Bottling S.C, (EABSC) Addis Ababa Plant in relation to social responsibility, product safety and occupational health and safety in its business operation. Specifically, to assess the overall business ethics practices of the plant, examine the factory's possible hazard control methods of products, assess the practices of its employee health and safety program and determine and assess whether the factory is engaged in societal welfare activities(*Girma M. 2016*).

As a finding of the study, East Africa Bottling is well aware of the importance business ethics towards successful and productive operation and it has already incorporated business ethics in its corporate business model and long term strategic objectives. However, there has been identified business ethics malpractices and EABSC which show that the company still has a long journey ahead to actually and fully implement what has been stated in its policy. The findings of the study with regard to employee safety and health, corporate social responsibility initiatives and product safety can be summarized as follows:

Among the sample respondents, 80% of the respondents have access to personal protective equipment (PPEs) however, still a substantial percent of the respondents do not have access to personal protective equipment. Majority of the sample respondents have not had any sort of safety trainings(*Girma M. 2016*).

The factory is kept in adequate clean condition; however, the temperature is not comfortable to many of the sample respondents. Supervisors always make close supervisions on the proper use of working tools; however, there are some respondents whose supervisors make rare supervision over the appropriate use of the safety materials. Employees are entitled to full time insurance for work related accidents(*Girma M. 2016*).

East Africa Bottling SC is actively engaged in several corporate social responsibility initiatives. Its CSR policy gives priority to Education, Health, Community, Women Empowerment and Disaster relief. Accordingly, the company has done several projects that fall within these categories. For instance, its 5 by 20 women empowerment program which enables to economically empower 5 million women until 2020, its PET recycling program which engages beneficiaries in the collection of plastic bottles for a living, its bursary program which aims at supporting impoverished students through financial donations and its annual tree plantation programs are among the many which the company does. In doing so, the company is contributing greatly to the development of the country and poverty reduction(*Girma M. 2016*).

The company has made considerable growth during the last fifty years since its establishment. This can be attributed to its high quality and safety product. The company has not had any major

product safety problems; however, minor complaints of defective products has been noticed. To assure high product safety, the company makes several inspections starting from raw material selection that goes to the final delivery point. Inspections are made at the input, process and output levels. As an input, water, CO₂, Sugar, and concentrates are tested before they enter into the production process. At the process period, the company makes further inspection processes over the flavor taste, color, appearance, pressure, volume and weight of the products every 15 minutes of production(*Girma M. 2016*).

2.2.3.The effects of business ethics on consumers' perceptions of merchandizing and service giving businesses in Mekelle University by GebeyehuJaluNegassa in 2015,

The study was to evaluate business ethics practices of companies operating in Mekelle town. Particularly, to examine whether brand equity is being affected in a positive way by manufacturing and service giving business, to investigate consumer's evaluation of companies based on moral criteria, except of economic and financial ones and to examine how the consumers keep on buying if the brand of their choice will not fulfill their expectations in moral terms(*Jula G. 2015*).

Moreover, the results demonstrating that although brand equity is not positively related with consumers/ perceptions, the latter is positively related with consumers' willingness to buy(*Jula G. 2015*).

Today, in our contemporary and highly competitive business world, ethics and ethical considerations are being increasingly important due to the influence of globalization, new technologies, consumerism and the different type of crisis that we experience (financial, ecological, political, system of values).

- Consumers appear to be becoming increasingly more hostile to marketing, as marketing professionals' disregard for the ethical effects of their actions.
- Several business misconducts and corporate talks have resulted to a new kind of consumer who is more skeptical and critical than ever, affecting individual choices, perceptions and system of values.
- Socially-Responsible Marketing, includes morally-just marketing alongside socially-responsible and ecologically-friendly marketing but it is far from common practice in the marketing and businesses community (Manrai&Manrai, 2007), as empirical research results consistently fail to link its various forms, such as corporate citizenship, to measurable financial outcomes.
- Despite the fact that business ethics is considered as a multidimensional and complex phenomenon, it seems as an opportunity for companies to invest in it and gain insights, to invoke positive brand images and consumer perceptions(*Jula G. 2015*).

2.2.4. Business Ethics as field of teaching, training and research in East Africa at Nkumba University in Entebbe, Uganda, by Michael Mawa in 2011.

This article then presents an analysis of the status of Business Ethics in the East African region, which is one of the four sub-regions in the Sub-Saharan Africa region. The region surveyed consists of nine countries; Djibouti, Eritrea, Ethiopia, Kenya, Seychelles, Somalia, Sudan, Tanzania and Uganda.

The survey of Business Ethics in the East African region suggests interesting findings yielded through analyzing the data gathered on the key areas namely terminology and conceptualization of Business Ethics; prevalence and distribution of Business Ethics in the region; focus areas in Business Ethics; themes in training on Business Ethics; themes in teaching on Business Ethics; themes in Business Ethics research; and major business ethical issues in the region. The following sub-sections of this paper present the key findings of the survey (*Mawa M. 2011*).

In Ethiopia, internet searches of universities and institutes, along with interviews in Addis Ababa indicated seven universities with departments or faculties which traditionally housed courses related to Business Ethics and six of the universities specifically included terms associated with Business Ethics within their curricula. Of the six universities, five had faculties or schools of business, two indicated departments of economics with Business Ethics terminology mentioned in their curriculum, two had departments of finance or accounting and one university (University of Makelle) had a Department of Civics and Ethics and also had a Center for Good Governance. There were four other institutions (organizations or institutes) that had some relationship or involvement with Business Ethics (*Mawa M. 2011*).

In Ethiopia, interviews revealed more details regarding training in Business Ethics. The Private Sector Development Hub in conjunction with the Addis Ababa Chamber of Commerce is organizing training towards the development of a national Corporate Governance Code for Ethiopia. However, it was difficult to determine how many of the Business Ethics courses are compulsory or elective as internet information did not provide that level of detail and only a few respondents to the questionnaires provided this information. We can only presume that the topic is a general one providing an overview of general "Business Ethics" principles. More details on the description of these courses and their content, and their elective or compulsory status within degree programmes are required to get a clear picture of how comprehensively Business Ethics is taught and from which disciplinary basis it is being offered.

Considering the enthusiasm of respondents on this specific theme of the survey, it is clear that experts of Business Ethics in the region see a host of issues of concern and challenges emerging in the field of Business Ethics over the next five years. The majority of the ethical challenges raised were at the meso level, with little emphasis on the micro level. Of particular note is the strong reference to unethical business practices, specifically fraud and corruption which may be a reflection of the political and economic realities faced by the communities in East Africa.

At the macro level, experts in the field identified challenges and issues related to Business Ethics such as; environmental and human rights; environmental degradation, pollution and climate change; reducing the gap between rich and poor, the ethics of economic systems, turning around the conviction that unethical business is acceptable, superprofits, and unethical profit making in disadvantaged communities. At the meso level, the challenges and issues identified by experts in Business Ethics include business and society, corporate responsibility, ethical leadership in preventing corporate scandals, the importance of codes of ethics, triple bottom-line strategies, fair labor practices and the non-exploitation of employees, undemocratic governance, unethical business practices like fraud and corruption, corporate management; and foreign influence in Africa. At the micro level, the challenges and issues identified by experts in Business Ethics focused mostly on managerial behavior and work ethics (*Mawa M. 2011*).

On the basis of the findings it can be concluded that Business Ethics is slowly gaining recognition as a field of study in the East African Region with many institutions of learning incorporating some aspects of Business Ethics in their curricula. While there was a disappointingly low response to the questionnaire, there is considerable evidence that the study of Business Ethics is taking place in pockets in East Africa and that tertiary institutions lead the way as demonstrated in the courses offered and the research published (*Mawa M. 2011*).

For Business Ethics to achieve prominence as a field of study in the East African Region, the following recommendations are deemed necessary to enhance teaching, training and research in the field:

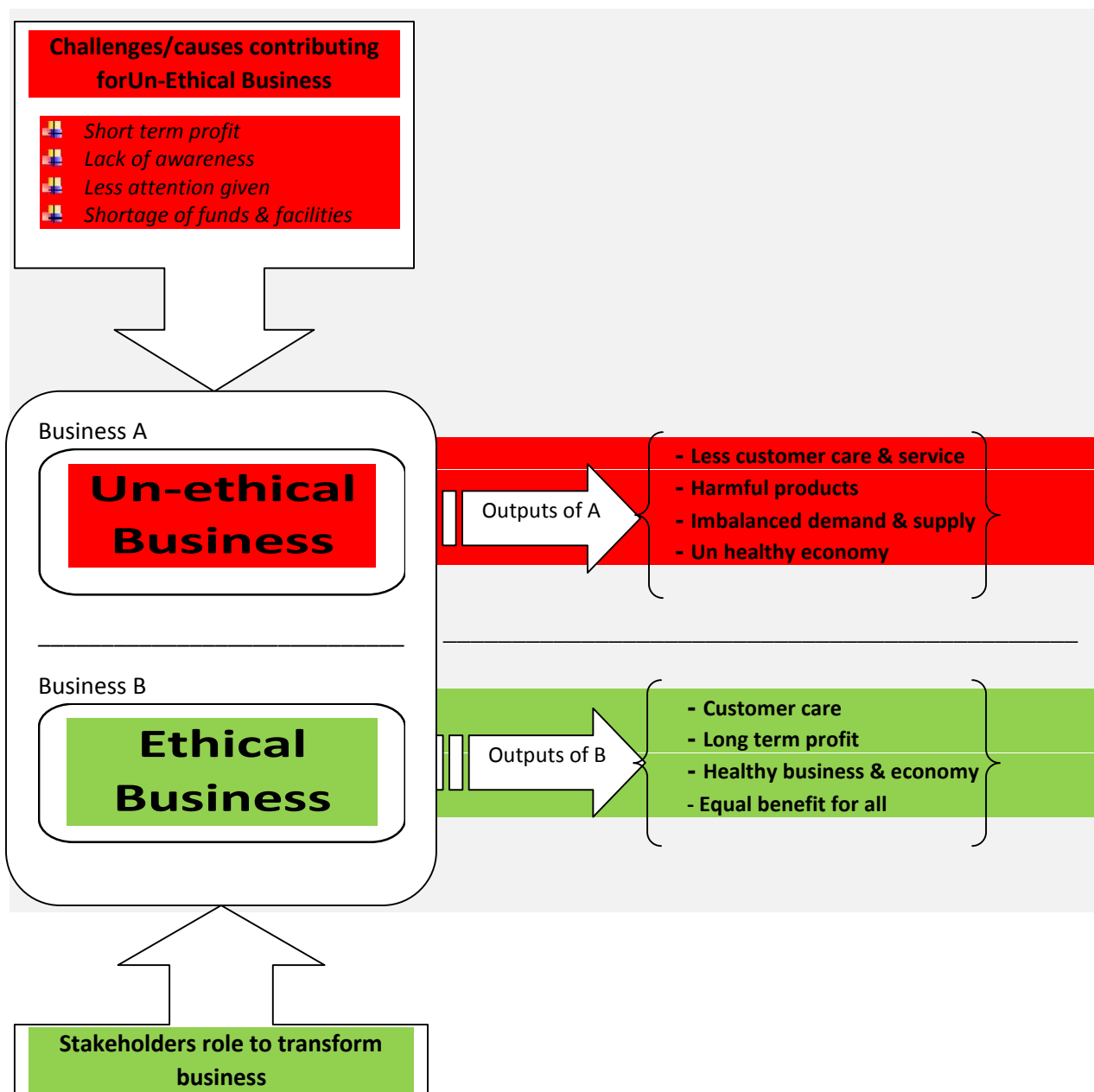
- Increased collaboration among Business Ethics experts in the region to enlarge their capacity in research, training and teaching of Business Ethics as a field of academic study.
- The establishment of an accurate and reliable database of those involved in the teaching, training and research in the field of Business Ethics. The low participation in this study is a matter of concern and it is possible that committed persons involved in the field of Business Ethics may have been left out. In addition, in countries such as Sudan and Somalia

where minimal information was available, a different survey approach that might reach tertiary education institutions that are Islamic or largely Arabic speaking, may lead to more substantial and comprehensive results.

- The Inter-University Council for East Africa and the National Regulatory Agencies need to work together to streamline the content of Business Ethics to enhance the quality of teaching. This will help to consolidate and concentrate the study and research areas of the different institutions in the region. Minimum course content is recommended for each level of study (*Mawa M. 2011*).

2.3. CONCEPTUAL FRAMEWORK OF THE STUDY

The conceptual framework proposed in this study is shown on the below diagram aiming to show the central existing issue and indicate how to transform.



2.4. IDENTIFIED LITERATURE GAP

The main gap identified regarding literatures, there are almost no published studies with similar title. However, there are few more relevant literatures published in different locations. For instance the study selected and reviewed above; *Marketing Ethics Practices of Small Businesses and their Effect on Consumer Purchase Intention: An Empirical Investigation from Addis Ketema Sub-city* at Madawalabu University (Ethiopia) by Abdulnasir AM. in 2015 is relevant.

There are also the following more or less relevant studies related to Ethiopia and East Africa cases are available;

The Business Ethics Practice: The Case of East Africa Bottling SC., Addis Ababa Plant, St. Mary's University by Muse Girma in July 2016,

The effects of business ethics on consumers' perceptions of merchandizing and service giving businesses in Mekelle University by GebeyehuJaluNegassain 2015,

Ethics capacity building in low-income countries: Ethiopia as a case study: in University of Oslo and The Journal of the Norwegian Medical Association by Ingrid Miljeteig, Kristine HusøyOnarheim, Frehiwot Berhane Defaye, Dawit Desalegn, Ole FrithjofNorheim, Olav Hevrøy and Kjell Arne Johansson in 2015 and

Business Ethics as field of teaching, training and research in East Africa at Nkumba University in Entebbe, Uganda, by Michael Mawa in 2011.

- When we come to the content and findings of the above studies, all stated in different ways that, there is low awareness level of ethical business formation. But these studies not identified more reasons except low level of educational background, less attention given by stakeholders and age of the business owners/actors. But as per my first objective, to determine awareness level, my study attempts to find out more reasons such as if there is lack of business ethics education and training as well as professionals and identified responsible agencies in this regard.
- In addition, regarding my second objective, to identify the root causes for un-ethical business expansions, some of the above studies found out only low awareness level of

ethical business formation and less attention given by stakeholders. But my study is to find more causes such as a high need for short term profit, shortage of funds & facilities...etc.

- Almost all studies are concluded that low level of priority/attention is given to ethical business operations by concerned stakeholders. This is my third objective and no gap in this regard.
- My fourth objective, challenges of suppliers to experience ethical business formation is not attempted by any one. My study will fulfil this gap by testing provisions and facilities expected from government, banks and related stakeholders.

CHAPTER THREE

METHODOLOGY OF THE STUDY

3.1.Introduction

This study is to discuss on ethics in business and the importance due to the evidences of unethical business practices in Ethiopia. So that, the study is intended to over view the issue and indicate way forwards to control or reduce the effect as much as possible. This chapter put roadmaps to conduct the study by underlining the basic methods to be followed. The approach of the research, design& techniques, source & type of the data and methods of data collection and analysis procedures will be clearly specified.

3.2. Description of the study area

This study assesses food commodity supplier's ethical business formation of downstream supply chain in Addis Ababa. The main goal of the study is to know what Addis Ababa is looks like in terms of ethical business formation. It also aims to find out stakeholder and know their efforts level and given attention.

3.3. Research approach

This study is about social phenomena which involves studies that do not attempt to quantify the results through statistical summary or analysis. It is the study typically involve interviews and observations without formal measurement. Therefore, a mix of both qualitative and quantitative research approach will be used.

3.4. Research design

This study is not exploring or explain but to discuss the existing ethics in business and its importance. It is intended to over view and describe the issue and indicate way forwards to control or reduce the effect as much as possible. So that it is designed as descriptive and casual research design. Since the study topic is difficult to quantify the results through statistical summary or analysis with formal measurement, it is to analyze the data, interpret and describe the results using more of words.

3.5. Population and Sample Design

The population of this study is food commodity suppliers of downstream supply chain, those have direct contact with end users in Addis Ababa. Suppliers of downstream supply chain such as retailer/distributor shops and main market areas of Addis Ababa is involved. Food commodities are of many line items and different in kind. So that it is impossible to reach each in this study. Only selected five line items from more sensitive food supplies are conducted. About 13 suppliers from each; (edible oil, food-grain, vegetable, meat and sugar) are interviewed. The top managers (owners) of the businesses or any representing sales lead available at the time is conducted. In addition, the following stakeholders/agencies and respective officials are contacted for relevant information and written sources.

Ethiopian Anti-Corruption Commission, Ethiopian Economic Association, Ministry of Trade and Industry of Ethiopia, Ethiopian Chamber of Commerce. Since it is difficult to access the top officials of these agencies, any relevant available middle level officials are interviewed. The information obtained from these agencies is only to determine the efforts.

Due to uneven distribution of the suppliers, the cities' geographical setup, attitude and complexity of the actors willing to disclose right information, judgment of the researcher is an option to select representative sample of the whole population. Due to the nature of study topic, purposive sampling technique is considered to be the most appropriate for this study.

Food commodities are of different kind as well as respective suppliers. But the same sampling technique has been considered within each giving the same weight since all are businesses and logically expected to obey similar ethical standards.

As the number of food commodity suppliers of downstream supply chain in Addis Ababa is unknown, it is difficult to prepare source list, the researcher will use survey from infinite population overestimating the sample size based on a proportion. The selected five line items suppliers (edible oil, food-grain, vegetable, meat and sugar) determine the sample considering Campbell, A. & Katona, G. 1953 sample size determination formula.

To estimate the sample size from the population of food commodity suppliers of downstream supply chain in Addis Ababa up to an approximate 87.5% confidence level is considered. Since no data are available on the proportion, the worst-case scenario needs to be set $p = 0.5$ (and therefore $q = 1 - 0.5 = 0.5$), where: p = proportion of the population & $q = 1 - p$ degree of precision and d = the margin of error. As 87.5% confidence level is considered, the researcher prepared to accept a margin of error of $\pm 12.5\%$ so $d = 0.125$. To determine the required minimum sample size (Nr), the following formula is applied:

$$Nr = \frac{4pq}{d^2}, \quad Nr = \frac{4 \times 0.5 \times 0.5}{0.015625}, \quad Nr = 64 \text{ (Campbell, A. \& Katona, G. 1953).}$$

Therefore, the total sample size of suppliers of food commodities (of different kind) excluding the stated agencies is 64.

3.6. Data source and type

The data to be used in this study is of two type; primary data and secondary data. The primary data is from 64 sample business owners or salespersons of food commodities at downstream supply chain in Addis Ababa.

Since the topic is unique and not familiar as research topic in Ethiopia, it is difficult to find enough secondary data for analysis. Data which focuses more on general ethics may be available but not specific to business ethics. But possible to gain some relevant information and respective written secondary data from agencies like; Ethiopian Anti-Corruption Commission, Ethiopian Economic Association, Ministry of Trade and Industry of Ethiopia, Ethiopian Chamber of

Commerce. However, the information and written secondary data from the above stated and other agencies are expected not sufficient and appropriate for formal analysis. So, it to be presented as it is.

3.7. Data collection Procedure

To achieve the aforementioned objective, data will be collected from selected primary data sources. Data collection thorough interview is a form of self-report that is a relatively simple approach. Scheduled interview can cover required number of content areas and is a relatively inexpensive and efficient way to collect a wide variety of data that does not require formal testing.

On the other side, due to the suspicious attitude of the respondents regarding the topic and educational background limitation, personal presence of the researcher to explain/convince and collect the required information through simple approach is not an option. Therefore, questionnaire schedule or interview and/with questionnaire data collection method is applied for primary data sources.

It is known that; the effectiveness of an interview depends on how it is structured. So, the interview was thought out beforehand and standardized as all participants are asked the same questions in the same order.

Similarly, personal interview data collection method is applied for the relevant government offices and other agencies stated above as additional data sources. But due to the role, required information and purpose of the data of the agencies is different from the suppliers, the interview questions are also different accordingly. Any relevant and available secondary data sources such as published and unpublished pertinent documents, government policy documents, official report and publications, laws, books, workshop proceedings, research reports and periodic and statistical reports, journals...etc are collected and reviewed.

3.8. Ethical Considerations

Ethics are norms or standards of behavior that guide moral choices about our behavior and our relationships with others. The goal of ethics in research is to ensure that no one is harmed or

suffers adverse consequences from research activities. However, unethical activities are pervasive and include; violating nondisclosure agreements, breaking respondent confidentiality, misrepresenting results, deceiving people, invoicing irregularities, avoiding legal liability, and more.

The researcher should follow the basic guidelines; Explain study benefits, explain respondent rights & protections and Obtain informed consent.

Whenever direct contact is made with a respondent, the researcher should discuss the study's benefits, being careful to neither overstate nor understate the benefits. An interviewer should begin an introduction with his or her name, the name of the research organization, and a brief description of the purpose and benefit of the research. This puts the respondent at ease, lets them know to whom they are speaking, and motivates them to answer questions truthfully.

In short, knowing why one is being asked questions improves cooperation through honest disclosure of purpose. Inducements to participate, financial or otherwise, should not be disproportionate to the task. Therefore, this study considers all ethical research guidelines and follow with full responsibilities.

3.9. Method of data analysis and presentation

Since the study is to assess food commodity supplier's ethical business formation of downstream supply chain in Addis Ababa, the process of data analysis has been carried out with the help of descriptive statistics data analysis method.

As the name implies, descriptive statistics will be used to describe the data collected in research studies and to accurately characterize the variables under observation within a specific sample. Both Descriptive and inferential statistics; mainly rank order analysis, correlation analysis, frequency distribution, percentage, mean will be used. Then the analyzed data is interpreted and presented in descriptive and qualitative ways. Tables, graphs, figures and charts will be used accordingly(Campbell, A. & Katona, G. 1953).

3.10. Validity and Reliability test

A pilot study was conducted to refine the methodology and test instrument such as a questionnaire before administering the final phase. An internal consistency reliability test was carried out on the perceived task values scale including 8 items. Cronbach's alpha showed the questionnaire to reach acceptable reliability, yielding a Cronbach alpha value of 83.86%.

CHAPTER FOUR

RESULTS, DISCUSSION AND INTERPRETATION

This chapter demonstrates the results of the study, discusses in detail and interprets accordingly. It contains; demographic characteristics of the respondents, relationship of the respondents with the business, duration of the respondents working on the business, educational background, training and motives of the respondents, awareness level (training attended, training programs and trainers availability, root causes for un-ethical business formation, the level of priority/attention given to ethical food business and challenges for food commodity suppliers.

4.1. Demographic characteristics of the respondents

According to the survey result of the researcher, there were 66 respondents are participated in the study. From this, 14 respondents are suppliers of vegetables whereas each 13 respondents are suppliers of edible oil, food grains, meat and sugar.

The personal data of the respondents, sex of the respondents, age, relationship of the respondents with the business, experience or duration of the respondents working on the business, educational background of the respondents, attendance of any training about ethical business and

the most driving motive for being in the business of the respondents are summarized and provided in the following table (Table 1);

Personal data summary table

Personal information	Variables	Frq	%
Sex of the respondents	Male	29	44%
	Female	37	56%
Age of the respondents	Below 20 years	11	17%
	21—35 years	32	48%
	36—50 years	15	23%
	51—65 years	6	9%
	Above 65 years	2	3%
Relationship of the respondents with the business	Owner	26	39%
	Employee	9	14%
	Family member	31	47%
Experience or duration of the respondents working on the business	1—5 years	27	41%
	6—10 years	30	45%
	11—15 years	8	12%
	16—20 years	1	2%
	Above 20 years	0	0%
Educational background of the respondents	Below grade 6	26	36%
	7—12 grade	41	62%
	Diploma	1	2%
	Degree	0	0%
	Masters and above	0	0%
Attendance of any training about ethical business	Yes	0	0%
	No	66	100%
The most driving motive for being in the	Profit	21	32%
	Customer service	0	0%

business of the respondents	Both (profit & customer s.	45	68%
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Table 1: Personal data summary

Relationship of the respondents with the business: with regard to the relationship of respondents with the business they operates, the survey result shows that from 66 involved suppliers, 39 are owners, 9 are employees and 31 are family members which holds 39%, 14% and 47% respectively. When we categorize this result to two; businesses run by owner and non-owner, 61% businesses are managed by family members and employees without the founder and owner of the business. On the other side, there is the fact that the awareness and responsibility level on business formation is relatively less at non-owners than owners. This shows that most of the businesses are run by less awareness and responsibility level operators.

Experience or duration of the respondents working on the business: the length of time the respondents have working on the business shows that from 66 involved suppliers, 27 are from 1—5 years, 30 are from 6—10 years, 8 are from 11—15 years, only 1 from 16--20 years and no above 20 years. As a result, most of the businesses runners (86%) have managing a business for less than 10 years. This may imply that most suppliers are of short-term experience and high turnovers.

Educational background, Training and motives of the respondents: the other item, education, reveals that majority of the respondents are under the category of grade 12 and below. To explain this, 26 of the respondents with 36% are below grade 6 whereas 41 of the respondents are from 7—12 grade holding 62%. Only one respondent is under the category of diploma level in Electricity profession and no respondents with first degree and above. This shows that most of the food commodity suppliers are of lower educational background. So that the business is free for all without any criteria which may have impact on responsibility level.

With regards to training, all respondents are asked if they have been offered any training relevant to ethical business formation. But the response of all is NO. This is also showing that the sector is ignored by stakeholders.

All respondents are also asked the most driving motive for being in the business. From provided options; profit, customer service and both (profit & customer service), 21 respondents which hold 32% are said profit and 45 respondents 68% said both (profit & customer service). As a result, most respondents understand to serve customers beside to their profit. However, the 32% suppliers those motivated only for profit are still more than enough to harm respective customers safety specifically in relation to un-ethical business formation.

4.2. Awareness level, Training attended, Training programs and Trainers availability

Awareness level respondents rate summary table

Variables	Rates Frequency and Percentage										Mean	Rank
	very low		low		medium		high		very high			
	frq	%	frq	%	frq	%	frq	%	frq	%		
Awareness Level	15	23	33	49	7	11	11	17	0	0	2.21	4 th
Training attended	27	41	37	56	2	3	0	0	0	0	1.62	1 st
Training Program	32	48	27	41	5	8	2	3	0	0	1.65	2 nd
Professional Availability	33	50	17	26	12	18	4	6	0	0	1.80	3 rd

Table 2: Awareness level respondents rate summary

As per the above table, the awareness level, training attended, training programs availability and professionals availability ranges from very low to high. No respondent replied as very high level.

To explain this, 15 of the respondents with 23% are responded their awareness level is very low, 33 respondents with 49% is said low, 7 respondents with 11% is medium, 11 respondents with 17% is high and no respondent replied as very high. While comparing the lower and higher part of the responses, it is 72% to 17% respectively. This shows that most of the food commodity suppliers have lower (low and very low) awareness about ethical business formation.

Similarly, 27 of the respondents with 41% are responded their business ethics training attendance is very low, 37 respondents with 56% is said low, only 2 respondents with 3% is medium, and no respondent replied as high & very high. This shows that almost all food commodity suppliers are not attended any training about ethical business formation.

With regard to ethical business formation training program availability, 32 of the respondents with 48% are responded the availability of the training program is very low, 27 respondents with 41% is said low, 5 respondents with 8% is medium, 2 respondents with 3% is high and no respondent replied as very high. This also shows that most of the food commodity suppliers are confirming that there is lower (low and very low) training programs availability on ethical business formation.

Finally, when we come to ethical business formation professional trainers availability, 33 of the respondents with 50% are responded the availability of the professionals is very low, 17 respondents with 26% is said low, 12 respondents with 18% is medium, 4 respondents with 6% is high and no respondent replied as very high. Similarly, this is again showing that most of the food commodity suppliers are confirming lower (low and very low) professionals availability on ethical business formation.

Based on the results of the mean value and respective weight, all variables rated with mean below 2.50 or 2.21 and under, which means all variables have been granted acceptance by 50% and below. The difference of mean value between each variables is also measures and determine the ranks among the variables or identifies which variable is the most major and minor cause for un-ethical business formation.

While comparing the two extremes, adding up very low&low rate from one side and high & very high from other side with medium rate neutral, we can see the very significant imbalances easily.

Awareness level comparison table

Variables	very low & low %	high & very high %
Awareness Level	72%	17%
Training attended	97%	0%
Training Program Availability	89%	3%
Professionals Availability	76%	6%

Table 3: Awareness level comparison

As a result, all, awareness level, training attended, training programs and trainers availability showed up at lower level. As per the percentage rate difference in the above table (Table 3) and data analysis and results with mean (Table 2), both shows consistently similar level rate for each variables and ranks which variable is the most at lower level and the next. Accordingly, training attendance and training programs availability are ranked as 1st & 2nd and trainers or professionals availability and awareness level are 3rd & 4th respectively.

Furthermore, the study clearly shows relationships between awareness level, training attended, training programs availability and professionals availability. As per the below chart line graph, the lines of all variables are rise up and falls down together. It means whenever the training attended, training programs and professionals availability is low, the awareness level will be also low and vice-versa. In other words, awareness level is dependent to training attended, training programs and professionals availability.

Variables relationship graph

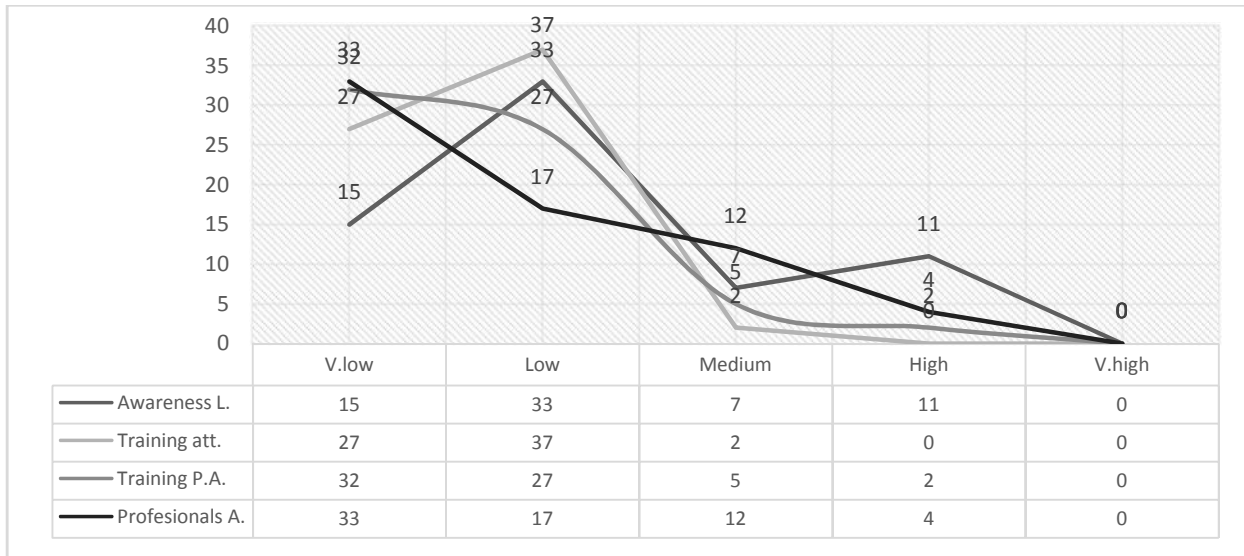


Figure 1: Awareness level, Training attended, Training programs and Trainers relationship

Even if no with the same topic and objectives, there are few studies conducted and stated directly and indirectly, there is low awareness level of ethical business formation. The studies conducted by Abdulnasir A.M. of Medawalabu University (Ethiopia) *Abdulnasir, A.(2015)* and Miljeteig I. & others in Norway on Ethiopian case are examples *Miljeteig I, Husøy K, Berhane F, Desalegn D, Frithjof O, Hevrøy O. and Arne K. (2015)*. But these studies are not identified the quantity of the level in number or any other ways. But the study made in Ethiopia, Addis Ababa by Musa Girma in 2016 is shows 80% low awareness level *Girma M. (2016)*, whereas this study identified 72% (Table 3). However, the difference between the studies is less and that can be accepted.

But, even if not directly measurement of awareness level or not among this study major objectives, there is high a concern regarding level of educational background of similar suppliers in the same city. The studies conducted by Abdulnasir A.M. of Medawalabu University but Addis Ababa case, *Abdulnasir, A.(2015)* shows 43.57% diploma holders and 23.24 degree and above, which means 66.81% is higher professional suppliers while this study shows only one person is diploma holder.

Therefore, the study is determined 44% awareness level is lower by 56% and recommending further investigation/study related to level of educational background of the suppliers.

4.3. Root causes for un-ethical business formation

Root causes for un-ethical business formation summary

Variables	Rates Frequency and Percentage										Mean	Rank
	very disagree		disagree		medium		agree		very agree			
	frq	%	frq	%	frq	%	frq	%	frq	%		
Low level of awareness	7	11	13	20	24	36	14	21	8	12	3.05	5 th
Low level of training programs	5	8	13	20	28	42	14	21	6	9	3.05	5 th
High need for short term profit	6	9	4	6	12	18	34	52	10	15	3.58	1 st
Shortage of funds and facilities	7	11	14	21	30	45	7	11	8	12	2.92	6 th
Low level of guidance & control	4	6	12	18	29	44	15	23	6	9	3.11	4 th
Weak policy and measures	4	6	4	6	27	41	27	41	4	6	3.35	3 rd
Selfishness or evil attitude	9	14	3	5	11	17	31	47	12	18	3.52	2 nd

Table 4: Root causes for un-ethical business formation summary

The above table shows the detail number of respondents with respective rating and percentage. From the total 9% respondents very disagree the given causes as a factor for un-ethical business formation, 13% disagree, 35% agree to some extent, 31% agree and 12% very agree.

For rough and simple comparison purpose, the terms agreed and very agreed are the same except to indicate the extreme emotion of the respondents and medium rate is considered neutral.

Accordingly, when categorizing in to two; the total very disagree& disagree from one side and the total very agree& agree from the other side, it shows 35% and 65% respectively while 35% is neutral. This shows, most variables are accepted as a causes for un-ethical business formation.

As the above table shows, the difference between agreed respondents over the disagreed on each variables may be a root causes for un-ethical business formation. The highest difference, agreed over the disagreed indicates that the given cause is the most root cause for un-ethical business formation.

Accordingly, based on the results of the mean value and respective weight, all variables rated mean of 2.92 and above, which means all variables have been granted acceptance above 2.50 mean value or by 50% and above.

Therefore, high need for short term profit leads as a first and the most root cause for un-ethical business formation scoring 72% to 28%. selfishness or evil attitude of the suppliers is the second and weak policy and measures is the third with 70% and 67% respectively. Low level of guidance & control by stockholders is on the 4th place with 62% and low level of awareness and low level of training programs availability are scored the same 61% and ranked 5th. Shortage of funds and facilities to ethical business formation is the last holding 58%.

As tried to explain earlier, there is no studies conducted with same topic and objectives yet. There are few studies conducted on business ethics and general ethics with different objectives disregarding to find out the root causes as a factor for un-ethical business formation supporting with empirical or statistical values. However, few studies have mentioned some causes without sufficient supports. As an example, the study made in Ethiopia, Addis Ababa by Musa Girma in 2016 is mentioned, low attention, weak control, Weak facilities and low awareness as main causes *Girma M. (2016)*. The study conducted in Mekele, Ethiopia, by Gebeyehu Jula in 2015 is also stated only profit oriented business formation is the cause *Jula G. (2015)*. The study of Miljeteig I. & others *Miljeteig I, Husøy K, Berhane F, Desalegn D, Frithjof O, Hevrøy O. and Arne K. (2015)* in Norway on Ethiopian case is says lack of resources (funds) and awareness are the causes.

The above mentioned causes are also showed even with more others. So that, this study is identified high need for short term profit, selfishness or evil attitude of the suppliers, weak policy and measures, low level of guidance & control by stockholders, low level of awareness, low level of training programs availability and shortage of funds and facilities to ethical business formation are the causes with respective impact ranks for focus and priority purpose and recommends further study to refine more.

4.4. The level of priority/attention given to ethical food business operations by concerned stakeholders to control un-ethical business expansions

Concerning the attention given to ethical food business operations, the responses and findings from suppliers side is also showed along with measuring awareness level and identifying causes & challenges of suppliers. But as long as presence of another side concerned and responsible bodies, testing both side is so important to reinforce the result.

In order to measure the priority or attention level given to ethical food business operations by concerned stakeholders, selected and more relevant stakeholders are communicated or the information measures their effort is provided. The selected and more relevant stakeholders are six in number as follows; Ministry of trade and Industry of Ethiopia, Federal Ethics and Anti-Corruption Commission, Trade Competition and Consumers Protection Authority, Ethiopian Commodity Exchange, Ethiopian Food and Drug Authority and Ethiopian Trading Businesses Corporation.

Ministry of Trade and Industry of Ethiopia: Ethiopian Ministry of Trade and Industry is found the number one responsible to ensure social benefit through establishing transparent, fair and competitive trade system. As per the Ministry Information Management Directorate Officer, the Ministry have the powers and duties to:

Establish and follow up the implementation of comprehensive system for the prevention of anti-competitive trade practices provide protection to consumers in accordance with the law, provide commercial registration and business licensing services in accordance with the relevant laws and

control the use of business licenses for unauthorized purposes, undertake and submit to the council of Ministers price studies relating to basic commodities and services that have to be under price control and upon approval follow up the implementation of same, establish the legal metrological system of the country regulate its enforcement and coordinate the concerned regulatory bodies, control the qualities of export and import goods prohibit the importation and exportation of goods that do not conform with the required standards and work in collaboration with the concerned organs, control the compliance of goods and services with the requirements of mandatory Ethiopia standards and take measure against those found to be below the standards set for them, cause the coordinated enforcement of standards applied by other enforcement bodies organize and direct implementation review conferences, organize the trade data of the country and disseminate same to the concerned bodies and encourage the establishment of chambers of commerce and sectorial associations including consumers associations and strengthen those already established.

Based on the above listed powers and duties, it is possible to know that the office is among the main concerned responsible stakeholders, to control un-ethical business expansions by guiding, creating awareness and takes measures on involved business actors. This is also confirmed by the officer.

However, with regard to applying the stated powers and duties including the expected outcome, the Ministry accepts as inadequate yet on the ground. According to the Ministry Information Management Directorate Officer, the Ministry is insufficient to apply expected roles mainly due to unavailability of professionals to control un-ethical business expansions by guiding and creating awareness. So the Ministry rated availability of professionals 'NO' whereas rated the other issues with in the medium range.

So that, the Ministry is intensively working on professionals (human resource development) through training and decentralizing offices with respective authorities. I have been informed that agencies such as Trade Competition and Consumers Protection Authority, Ethiopian Commodity Exchange, and Ethiopian Food and Drug Authority are extensions of the ministry and decentralized to focus to the given purpose.

Federal Ethics and Anti-Corruption Commission:The FEACC has the dual objective of combating corruption and promoting ethics and anti-corruption education aimed at civil servants and society at large. It has adapted Hong Kong's three-pronged approach to fighting corruption, which includes the three functions of investigation, prosecution, and ethics education and prevention. The idea for the ethics component was taken from the United States' Office of Government Ethics, but the function is not exactly the same. While the FEACC's ethics component focuses entirely on expanding ethics by educating government employees, by contrast, the United States' Office of Government Ethics takes a broader approach, which includes preventing conflicts of interest on the part of government employees, resolving conflicts of interest, fostering high ethical standards for employees, and strengthening the public's confidence that the government's business is being conducted with impartiality and integrity.

The FEACC's approach to combating corruption is consistent with the draft national anti-corruption strategy that was developed in consultation with stakeholders in 2010. The draft strategy clearly states that education, prevention, and enforcement are the main pillars of the national anti-corruption strategy and requires that all concerned parties harmonize and adapt the three core pillars around their ethics and anti-corruption strategies.

The Commission's Authority: The Commission has adopted the single-agency approach of an independent and centralized anti-corruption function with a threefold mandate of preventing, investigating and prosecuting corruption in the public sector. It has the power to investigate corruption in the private sector as long as the issue in question concerns public officials and matters such as public-private collusion. The FEACC has full authority to investigate corruption in any government agency.

It also has the authority and duty to raise public awareness about the negative effects of corruption, to prevent corruption by studying the practices and working procedures of public services, and to promote ethics in public service offices and enterprises. In this regard, the Commission has the full authority to propose corrective measures and recommendations and follow up on their implementation.

According to the provided objectives and functions of the commission above and actual practice information from the office, the focus of the commission is more of anti-corruption ethics of the government than the entire public business related ethics. However, the commission is working to raise public awareness about the negative effects of un-ethical practices to prevent and promote ethics in public service offices and enterprises. But as per the information desk of the commission, the efforts and expected roles are not adequate specifically to address the businesses. So that the office cannot be categorized among the main concerned responsible stakeholders, to control un-ethical business expansions by guiding, creating awareness and taking measures on involved business actors. As per the officer, they involve by guiding and creating awareness to some extent and identified selfishness as root cause for un-ethical practices of suppliers.

Trade Competition and Consumers Protection Authority: The main objective of Trade Competition and Consumers Protection Authority is to protect the business community from anti-competitive and unfair market practices, and also consumers from misleading market conducts, and to establish a system that is conducive for the promotion of competitive free market. Also to ensure that consumers get goods and services safe and suitable to their health and equivalent to the price they pay in addition to accelerate economic development.

The Authority is authorized to insure the following un-ethical and unfair acts for competition;

No business person may, in the course of trade, carry out any act which is dishonest, misleading or deceptive, and harms or is likely to harm the business interest of a competitor, any act that causes or is likely to cause confusion with respect to another business person or its activities, in particular, the goods or services offered by such business person, any act of disclosure, possession or use of information of another business person, without the consent of the rightful owner, in a manner contrary to honest commercial practice, any false or unjustifiable allegation that discredits, or is likely to discredit another business person or its activities, in particular the goods or services offered by such business person, comparing goods or services falsely or equivocally in the course of commercial advertisement, disseminating to consumers or users, false or equivocal information including information the source of which is not known, in

connection with the price or nature or system of manufacturing or manufacturing place or content or suitability for use or quality of goods or services and obtaining or attempting to obtain confidential business information of another business person through his current or former employees or obtaining the information to pirate his customers or to use for purposes that minimize his competitiveness.

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The Authority have the powers to take appropriate measures to increase market transparency and to develop public awareness through organizing various education and training forums and provide education and trainings. The Authority also regularly announce consumer goods banned by the in local market or at the international level from being consumed or sold as well as ban advertisements of goods and services which are inconsistent with health and safety requirements to protect consumers from unfair practices of business persons.

In addition, the Authority provide support to industrial self-regulation in order to enable various industrial sectors to regulate anti-competitive and unfair trade practices. It also undertakes study and research in connection with business and organize judicial organs with jurisdiction on issues of trade competition and consumers protection in accordance with the cases.

The roles and responsibilities stated above are also confirmed while interview and representing Ethiopian Ministry of Trade and Industry, Trade Competition and Consumers Protection Authority is among the top and more relevant stakeholders, to control un-ethical business expansions by guiding, creating awareness and takes measures on involved business actors.

However, similar to Ethiopian Ministry of Trade and Industry, the Authority is unsatisfactorily playing the expected roles mainly due to unavailability of professionals to control un-ethical business expansions by guiding and creating awareness. So the Authority believes lack of awareness is background for un-ethical business formation while they are responsible to control, guiding, creating awareness and takes measures on involved business actors.

Ethiopian Commodity Exchange: Ethiopia Commodity Exchange (ECX) is to provide modern, efficient, transparent and reliable market platform to serve the national development goals

through the adaptation of technology, excellence in innovation and with integrity. ECX is to assure all commodity market players the security they need in the market through providing a secure and reliable end-to-end system for handling, grading, and storing commodities, matching offers and bids for commodity transactions, and a risk-free payment and goods delivery system to settle transactions, while serving all fairly and efficiently.

ECX is to benefit and modernize the way Ethiopia was trading its most valuable assets, its commodities. Ethiopia needed a change from the traditional means of trading to better support the needs of all those involved in trading and production. ECX is also to provide marketing system that coordinates better, that links faster, and that protects the interests of both sides of the trade. The exchange is a marketing system that is transparent, efficient and innovative, where buyers and sellers come together to trade, assured of quality, delivery and payment.

ECX has increased the number of agricultural commodities traded at the exchange from only one to seven. Currently the ECX trades coffee, sesame, pea beans, maize, wheat, and green mung beans, and red kidney beans is in the pipeline. ECX has been trading through an open outcry trading platform. In order to increase trade efficiency, transparency and accessibility, the ECX introduced its modern eTRADE Platform. To successfully launch this initiative, the exchange has trained and certified over 514 online traders.

The roles and functions of ECX above, the agency is to play exemplary role in practice how to perform ethical business specifically on food commodity supplies. As per the information from the office, ECX is not among the stakeholders, to manage un-ethical businesses instead simply showing the way to be followed through regulating the market by providing food commodities in ethical, modern and fair transactions.

As a result, the idea and practice of ECX is successful by itself which needs to be appreciated. However, since ECX is an initiative of one person and absence of followers, the expected output is not seen in adequate magnitude on the ground.

Ethiopian Food and Drug Authority: EFDA (formerly known as FMHACA) is the National Regulatory Body of Ethiopia which is under the Ministry of Health. The Authority is responsible and mandated to ensure the quality, safety and/or efficacy of medicines, food, cosmetics and medical devices. To achieve this, the authority has been working on different regulatory activities. The medicine market authorization system is one of the top priority areas that have been implemented. In addition to the dedicated assessors, the authority uses a national drug advisory committee for the assessment and registration of medicines.

Specifically, the main objectives of EFDA are to protect the health of consumers by ensuring; food safety and quality, safety, efficacy, quality and proper use of medicines and safety, quality and performance of medical device.

EFDA is also responsible to promote and protect the public health by ensuring safety, efficacy and quality of health and health-related products and services through product quality assessment and registration, licensing and inspection of health professionals, health institutions, pharmaceuticals and food establishments, and provision of up-to-date regulatory information while promoting proper use of health and health-related products and services including proper use of medicines.

Based on the information about roles and duties of EFDA they are among the main concerned and responsible stakeholders, to control un-ethical business expansions by guiding, creating awareness and takes measures on involved business actors. The officer also confirmed as they control the commodities by technical inspection, coaching the suppliers and takes measure if required.

As a limitation, EFDA focuses on imported food and health related commodities than assessing entire local supplies specially that at downstream supply chain except they have been informed suspicious cases. The information desk officer of EFDA is also justified; all lack of awareness, lack of polices & control, shortage of funds and facilities and lack of responsible stockholders to control and guide as causes for un-ethical businesses.

Ethiopian Trading Businesses Corporation: The Ethiopian Trading Businesses Corporation is the Public Enterprise to provide selected agricultural, industrial and basic commodities upon being competitive against foreign and domestic institutions by abiding to the system of modern marketing and trade agreements.

The Corporation is to play significant role to economic development of the country by prevail transparent, fair and accountable task implementations and ensure continuous change and sustainability. The Enterprise also to create partnership with community and develop common benefit by providing and developing customer oriented and satisfaction services.

The Corporation consolidated the former four business Enterprises known as Ethiopian Grain Trade Enterprise, Ethiopian Fruit and Vegetable Sh.co, Ethiopian Trading Enterprise (Alle) and Procurement Service Enterprise.

In another words, the Corporation is established for following purposes; to purchase selected agricultural and industrial products and basic commodities from both local and foreign markets competitively and as such to stabilize domestic market, to cause selective production of agricultural crops, fruits and vegetables; buy, distribute and maintain stock and sell to domestic and foreign market, to purchase and sell products in domestic and foreign markets on the basis of prevailing market price, to provide support to and motivate farmers with view to raise their interest to produce agricultural products and ensure that agricultural products get reliable market, to instill and operationalize modern, efficient, effective, responsible and accountable trading systems and to cooperate with concerned research, educational and training institutions to have skilled man power in the required quantity, field of expertise and quality required for its operations.

Similarly, as ECX, the roles and functions of the Corporation is to play exemplary role in practice by performing ethical businesses focused on most basic commodities for market regulation purpose. Therefore, the Corporation is not among the stakeholders, to manage unethical businesses too. According to the Corporation Ethics and Compliance Liaison, the Enterprise is limited to regulate the market by providing commodities in ethical, modern and fair

competition ideally for consumers benefit but performing less than expectation in practice. The following table summarizes the roles of stakeholders;

Roles of stakeholders summary table

Stakeholders	Roles					Total role of s/holder
	guiding	create awareness	Take measure	control	regulation	
Ministry of Trade & Industry of Ethiopia	X	X	X	X	X	5
Ethics & Anti-Corruption Commission	X	X				2
Trade Competition and Consumers Protection Authority	X	X	X	X	X	5
Ethiopian Commodity Exchange					X	1
Ethiopian Food and Drug Authority	X	X	X	X	X	5
Ethiopian Trading Businesses Corporation					X	1
Total s/holder per role	4	4	3	3	5	

Table 5: Roles of stakeholders

The responses gathered shows that three stakeholders; Ministry of trade and Industry of Ethiopia, Trade Competition and Consumers Protection Authority and Ethiopian Food and Drug Authority are fully authorized and responsible to play a role to guide, creating awareness, control, takes measure and regulation. Federal Ethics and Anti-Corruption Commission have a role of guiding and creating awareness with regards to business ethics. The remaining two stakeholders namely; Ethiopian Commodity Exchange and Ethiopian Trading Businesses Corporation have a role of regulating the market with most basic food commodities and with intension to play as role model in ethical business formation.

Stakeholders response on causes, summary table

Stakeholders	Stakeholders response for causes for un-ethical business formation				
	Lack of Awaeness	Lack of Policy & Control	Lack of funds & Facility	Lack of Stakeholders	Selfishness of actors
	Frquency	Frquency	Frquency	Frquency	Frquency
MTIE	1	0	0	0	0
EACC	0	0	0	0	1
T CCPA	1	0	0	0	0
ECX	1	0	0	0	0
EFDA	1	1	1	1	1
ETC	1	1	1	1	1
T/Frq	5	2	2	2	3
%	36	14	14	14	21

Table 6: Stakeholders response as causes for un-ethical business formation, summary

With regards to root causes for un-ethical business formation, most stakeholders believes as lack of awareness is 1st with 36% and selfishness of the business persons is 2nd with 21%. Lack of policy & control, shortage of funds & facilities and lack of responsible stakeholders to control & guide are assumed as another causes with 14% each (Figure 3).

Stakeholders rate on causes, summary graph

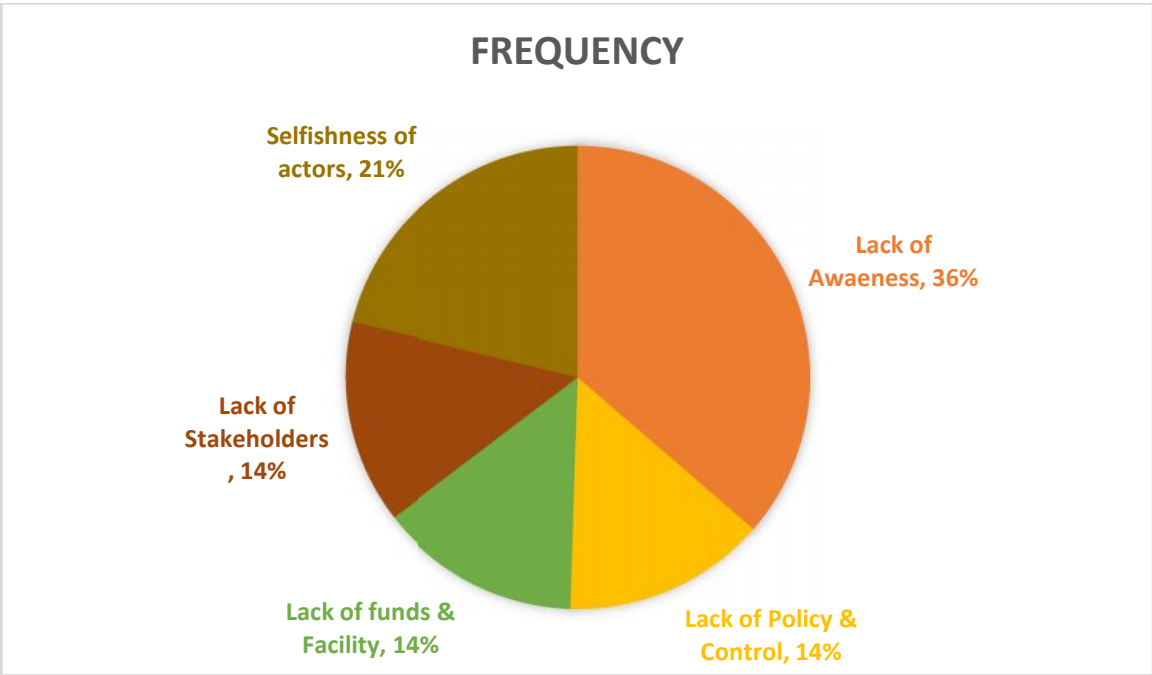


Figure 2: Stakeholders response as causes for un-ethical business formation

With regard to status or level of variables rated by stakeholders, we can see the following summarized results (Table 5);

Level/Status	Number of respondents with respective rating and percentage										Mean	Rank
	No at all		Low		Medium		High		Very High			
	Frq	%	Frq	%	Frq	%	Frq	%	Frq	%		
Ethical business formation practice			1	17	5	83					2.83	4
Awareness creating programs			3	50	3	50					2.50	2
Adequate polices of ethical business formation			2	33	4	67					2.67	3
Government & other stakeholder's attention level			2	33	4	67					2.67	3
Responsible professionals availability	3	50	2	33		0	1	17			1.83	1
Availability of trainings/courses at higher schools			2	33	4	67					2.67	3
Availability of specific written materials;			2	33	3	50	1	17			2.83	4

Table 7: Variables level/status response by stakeholders, summary

Ethical business formation practice status is rated medium by 83% stakeholders and low by 17% whereas awareness creating programs on ethical business formation is low and medium by 50% each. Availability of adequate polices of ethical business formation and government & other stakeholder's attention level to ethical business formation is accepted as lower by 33% and medium by 67% stakeholders. Responsible professionals availability for ethical business formation is rated 50% no at all, 33% low and 17% high. Availability of trainings/courses at

higher schools on ethical business formation is also low by 33% and medium by 67% and availability of specific written materials; guidelines & manuals for ethical business formation low by 33%, medium by 50% and high by 17%.

As per the results of the mean all variable rated lower mean of 2.83 and below, which means all variables have been granted acceptance below 3.00 mean value or by 56.60% and under. So that the ranks of the variables to show the level or status position is as follows;

The status or level of responsible professionals availability for ethical business formation, awareness creating programs on ethical business formation are ranked lower 1st and 2nd leaders respectively. Government & other stakeholder's attention level to ethical business formation, adequate polices of ethical business formation and availability of trainings/courses at higher schools on ethical business formation are the next and equally ranked 3rd, whereas ethical business formation practice and availability of specific written materials; guidelines & manuals for ethical business formation are also equally ranked 4th.

Generally, on the ways such as to measure awareness level, to find the root causes for un-ethical businesses including to know the attention given by the stakeholders many variables are tested and found at lower level or status, which indirectly resulted from lower attention given by the stakeholders. The direct level rated by the owners (stakeholders) themselves also shows 33% lower and even all the remaining 67% falls in medium range. So that, it is possible to conclude the attention given by the stakeholders is lower.

In order to compare and contrast with the results of other studies, still no direct any compatible rather than confirming the existence of low level of attention to ethical business formation by stakeholders simply in words. The study conducted by Miljeteig I. & others *Miljeteig I, Husøy K, Berhane F, Desalegn D, Frithjof O, Hevrøy O. and Arne K. (2015)* in Norway, by Abdulnasir A.M. *Abdulnasir, A. (2015)* and Musa Girma in Addis Ababa *Girma M. (2016)* are reflected lower attention level of ethical business formation by Ethiopian government and other stakeholders based on different backgrounds. For example, the study made by Miljeteig I. & others is based

and concluded the lower attention level, from less willingness to provide support with necessary information and resistance faced them by Ethiopian government and relevant offices, while they conduct the study to test and build capacity of ethical education in Ethiopian universities.

The other point, while comparing the rates of suppliers of food commodities and stakeholders for causes of un-ethical business formation above (Table 4 & Table 6), more or less, it shows the same result. But, with regards to the ranks of the causes, suppliers ranked lack of awareness level as a lowest cause with 61% and stakeholders ranked as a highest with 83%. As an opinion, it may be due to the perspective difference of the respondents. The assumption from the suppliers angle and reflected by some respondents while interview, they know that committing un-ethical business is crime. Logically committing crime is deliberate that not be forgiven based on awareness level. The other perspective of the stockholders is, awareness is base for every improvement and transformation. At least more knowledge such as awareness of consequences and measures to be taken will be helps.

However, the final result is not contradicting. So that, this study also determined the lower attention level of ethical business formation by Ethiopian government and other stakeholders with recommending further studies that justifies in more evidences.

4.5. Challenges for food commodity suppliers to experience ethical business formation

To identify the major challenges for food commodity suppliers to experience ethical business formation, the following expected challenges are provided for respondents; Low level of awareness, Shortage of funds expected from stakeholders (financing), Lack of facilities expected from stakeholders, Low level of guidance expected from stakeholders, Unfair competitive environment in the market, Unfair taxation and customs facility, Lack of incentive for ethical business formation and Unavailability of legal frame work on ethical business. The summary of the responses is as per the following table (Table 4)

Challenges of suppliers summary table

Challenges	Number of respondents with respective rating and percentage										Mean	Rank
	Very Disagree		Disagree		Medium		Agree		Very Agree			
	Frg	%	Frg	%	Frg	%	Frg	%	Frg	%		
Low level of awareness	2	3	11	17	33	50	3	5	17	26	3.33	6th
Shortage of funds (financing)	1	2	13	20	32	48	5	8	15	23	3.30	7th
Lack of facilities	1	2	14	21	28	42	15	23	8	12	3.23	8th
Low level of guidance	0	0	7	11	33	50	14	21	12	18	3.47	5th
Unfair competitive environment	1	2	0	0	12	18	36	55	17	26	4.03	2nd
Unfair taxation and customs facility	1	2	0	0	6	9	26	39	33	50	4.36	1st
Lack of incentive for ethical business	0	0	0	0	38	58	11	17	17	26	3.68	4th
Unavailability of legal frame work on ethical business	0	0	2	3	16	24	36	55	12	18	3.88	3rd

Table 8: Number of respondents with respective rating and percentage of the challenges of suppliers

The above table shows that only 1% respondents very disagree, 9% disagree, 38% are at medium, 28% agree and 25% are very agree on the given challenges. When we see simply the balance between the two extremes, the numbers are increasing from disagreed towards agreed and indicates more respondents accepted the give challenges as a challenge of the business actors.

When we look at the highest score of each challenges, low level of awareness agreed to some extent by 50% respondents, shortage of funds expected from stakeholders (financing) agreed to some extent by 48% respondents, lack of facilities expected from stakeholders agreed to some extent by 42% respondents, low level of guidance expected from stakeholders agreed to some extent by 50% respondents, unfair competitive environment in the market fully agreed by 55% respondents, unfair taxation and customs facility very agreed by 50% respondents, lack of incentive for ethical business formation agreed to some extent by 58% respondents and unavailability of legal frame work on ethical business agreed by 55% respondents.

As a result, all challenges are given a highest rate within medium, agree and very agree (no from disagree and very disagree). So that, it is possible to determine the ranks of each or which challenge is the most challenge to the actors. As the table shows, all variables also rated higher mean which indicates all are accepted as a challenges. So that the ranks of the variables are just to show with which challenge the suppliers are suffering more and next.

Accordingly, unfair taxation and customs facility from very agreed is the 1st, unfair competitive environment in the market and unavailability of legal frame work on ethical business are 2nd and 3rd respectively, lack of incentive for ethical business formation is 4th, low level of guidance expected from stakeholders is 5th, low level of awareness is 6th, shortage of funds expected from stakeholders (financing) is 7th and lack of facilities expected from stakeholders is on the last 8th position.

It is also possible to show the challenges of the food commodity suppliers with the rate of the respondents separately as follows;

Challenges of suppliers comparison graph

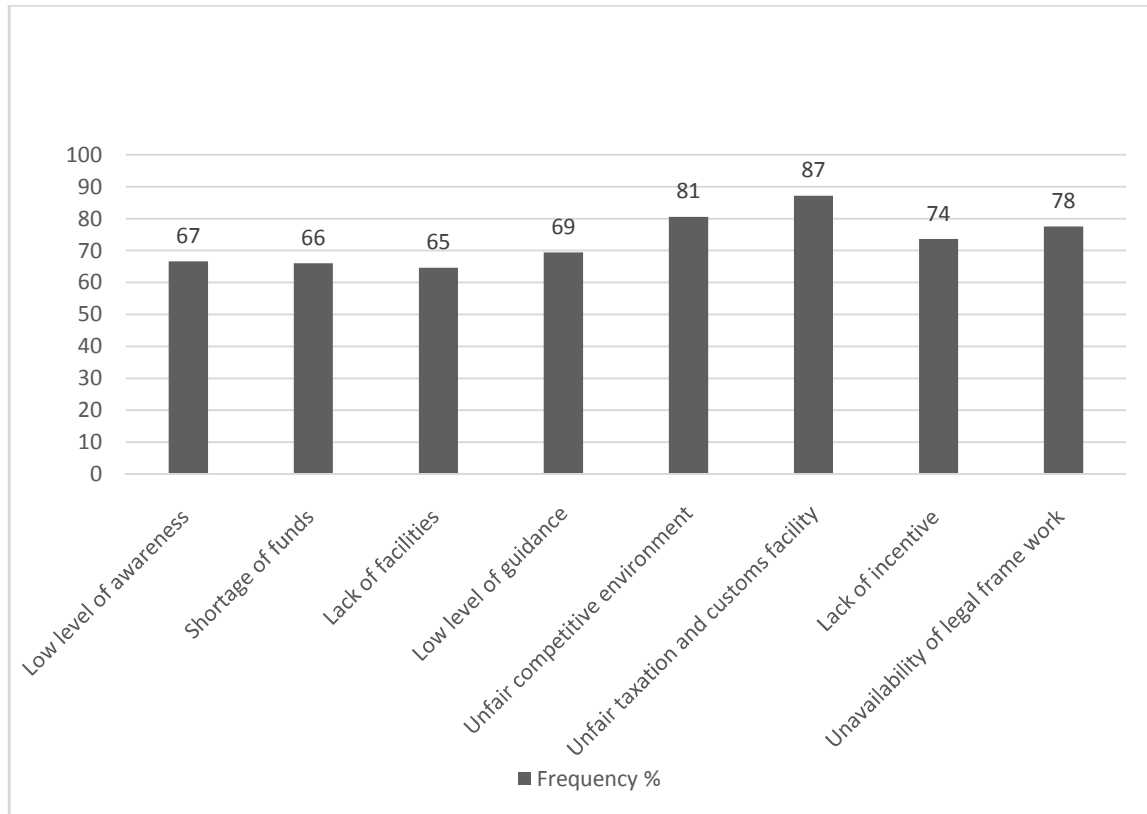


Figure 3: Challenges for food commodity suppliers comparison

With regard to challenges of food commodity suppliers the study conducted by Miljeteig I. & others Miljeteig I, Husøy K, Berhane F, Desalegn D, Frithjof O, Hevrøy O. and Arne K. (2015) in Norway, identified low level of support from government and other concerned stakeholders, lack of capacity building programs, unavailability of ethics related professionals and lack of resources (capital & trained human) as challenges. While the study by Michael Girma in Uganda, Girma M. (2016), mentioned; corruption, unsystematic (unfair) business formations and lack of governors support as major challenges. However, the identified challenges are few in number and not ranked which is more major and minor due to the objectives of their study is not to do so. But this study is identified more challenges with respective ranks including more or less the challenges mentioned in other studies above. To refine, further studies are recommended.

So that, this study identified the challenges as unfair taxation and customs facility, unfair competitive environment in the market, unavailability of legal frame work on ethical business.

lack of incentive for ethical business formation is, low level of guidance expected from stakeholders, low level of awareness, shortage of funds expected from stakeholders (financing) and lack of facilities expected from stakeholders are challenges of food commodity suppliers from the highest to lower impact level respectively.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

The chapter provides; the summary of major findings, conclusions, recommendations and future research recommendations sub topics as following;

5.1. Summary of major findings

The study is endeavored to determine or measure the existing awareness level about un-ethical business formation, the major causes for un-ethical business formation, given attention level of ethical business formation by stakeholders and major challenges of food commodity suppliers.

As a result, the study find out lower level awareness and educational background of the suppliers.

This study also identified high need for short term profit, selfishness or evil attitude of the suppliers, weak policy and measures, low level of guidance & control by stockholders, low level of awareness, low level of training programs availability and shortage of funds and facilities to ethical business formation are the causes respectively from highest to lowest impact ranks, to be focused accordingly.

The given attention or priority level for ethical business formation is determined lower by Ethiopian government and other stakeholders.

As major challenges for food commodity suppliers; unfair taxation and customs facility, unfair competitive environment in the market, unavailability of legal frame work on ethical business. lack of incentive for ethical business formation is, low level of guidance expected from stakeholders, low level of awareness, shortage of funds expected from stakeholders (financing) and lack of facilities expected from stakeholders are also identified.

5.2. Conclusions

To some people, businesses are interested in making money, and that is the bottom line. It could be called capitalism in its purest form. Making money is not wrong by itself. It is the manner in which some businesses conduct themselves that brings up the question of ethical behavior. To

have smooth business environment and consumer-producer or suppliers relationship, one has to have a clear view of what business ethics is.

The reflected results in this study as a finding, Ethiopian business driving person's level of education, experience, general awareness towards business ethics and the attention given to the sector is observed lower including training or awareness creation programs and professional leaders in this regard. It is known that lower level of education or knowledge in general never enhance any sector, rather harming always. Awareness levels have direct relationship with education and training that can be used as a major tool to create awareness.

Even if selfishness or evil attitudes of the business drivers and high need for short term profit are identified as top root cases for un-ethical businesses, it is possible to conclude that awareness level is the background for this causes. Awareness of consequence or measure to be taken on actions based on selfishness and awareness on importance of customer service, equally beside profit can change the attitudes of the suppliers. Weak polices, measures and training programs are also contributing significantly on un-ethical businesses formation.

On the other side, it is possible to conclude that, business has been given less attention, therefore it is not providing the required amount of benefit in its full capacity. More or less, it is good to institute and avail the main concerned responsible stakeholders, to control overall un-ethical businesses expansions by guiding, creating awareness and takes measures on involved business actors. However, with regard to practicing the given powers and duties including to reflect expected outcomes, it is inadequate yet on the ground. Unavailability of business related professionals is provided as a challenge for insufficient performance of the stakeholders. So that, the Ministry of Trade and Industry of Ethiopia is intensively working on professionals (human resource development) through training and decentralizing offices with respective authorities.

In this study, unfair taxation and customs facility, unfair competitive environment in the local market and unavailability of legal frame work on ethical business are found as major challenges of suppliers to perform the business smoothly and care for the customers. The suppliers also

treated with expected supports; such as incentive, guidance and facilities for ethical business formation from stakeholders.

5.3. Recommendations

In light of the above findings and conclusions, the following recommendations are forwarded:

- ✓ Integrated structures and policies should affect everyday decisions and actions, so that the government and other stakeholders should enhance the business ethics policy and apply accordingly.
- ✓ Training, capacity building, and awareness-raising programs should be addressed to business driving peoples and the community as a whole on different aspects. Working on human resource development specifically focusing on business ethics through short term trainings and offering in formal higher educational schools is recommended.
- ✓ Assessing and addressing the root causes for un-ethical businesses and major challenges of the business persons and motivating, appreciating, recognizing ...etc the ethical business drivers is required in regular bases. Ethics-oriented performance appraisals and reward systems may reinforce the message of the ethics program.
- ✓ It is important that suppliers take ethical considerations into account ordinary in everyday decisions and actions paying full attention on consequences of being selfish disregarding customer service and care. Suppliers also should know importance of adding customer service to their only profit of short term motive, due to the fact that, customer service provides rational satisfaction and long term profit at the same time.
- ✓ Academicians must see deep into the importance of business ethics and its economic benefit, so that potential output from the business can be earned. Since the attention given from academicians to business ethics is insignificant in Ethiopia yet, the academic society should be involved to enhance the effectiveness of the topic.

5.4. Future Research Recommendation

As knowledge of the researcher, this study topic is out of focus area even for referencing purpose. Therefore further similar researches should be made on such issues as to how to enhance the benefit that accrues from the ethical business formation.

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Addis Ababa
University

(Since 1950)



Questionnaire to be fulfilled by food commodity suppliers and concerned stakeholders in Addis Ababa

Dear Respondent

This questionnaire is designed to analyze the status of business ethics in Addis Ababa food commodity suppliers and as partial fulfillment for the degree of masters offered by Addis Ababa University. A cooperation extended by you with true and honest response is valuable and a key to the success of this study. All the responses that you provide here will be kept strictly confidential and will not be disclosed to anyone other than for academic purpose. Please feel free to answer the questions. Thank you in advance for your cooperation.

1. Personal Information

1.1. Email Address _____ (Optional)

1.2. Age

Below 20 years 21–35 years 36–50 years 51–65 years >65 years

1.3. Sex

Male Female

1.4. What is your relationship with this business?

Owner Employee Family member Other please specify _____

1.5. For how long you are working on this business?

1–5 years 6–10 years 11–15 years 16–20 years >20 years

1.6. Educational Level

Below Grade 6 Grade 7–11 Diploma Degree Masters and above Others please specify _____

1.7. If your response to the above question is diploma and above, please specify the field of your study. _____

1.8. Did you ever get any training or awareness about ethical business formation?

Yes No

1.9. If your response to the above question is yes, please specify by whom and when the training offered. _____

1.10. What is your greatest motive by being in business?

Profit Customer service Both

Others please specify _____

2. 1 Objective 1-Awareness level of food supply chain actors on the importance of ethical business formation. *(To be fulfilled by food commodity suppliers)*

Please rate your level of awareness about business ethics with the respective numbers 1—5 as per the following keys; 1—very low, 2—low, 3—medium, 4—high, 5—very high

S/N	Questions for the respondents	1	2	3	4	5
1	The awarenesslevel of ethical business formation					
2	I have attended a training on the importance of ethical business formation					
3	Awareness creating programs availability					
4	Responsible professionals & agencies availability					

2.2 Objective2-The root causes for un-ethical business. (To be fulfilled by food commodity suppliers)

Please rate your level of agreement about causes for un-ethical business with the respective numbers 1—5 as per the following keys; 1—very disagree, 2—not agree, 3—agree to some extent, 4—agree, 5—veryagree

S/N	Questions for the respondents	1	2	3	4	5
1	Low level of awareness on the importance of ethical business					
2	Low level of training and awareness creating programs on ethical business formation					
3	High need for short term profit					
4	Shortage of funds & facilities expected from stakeholders					
5	Low level of guidance and control by stakeholders					
6	Weak policy and measures of ethical business formation					
7	Selfishness or evil attitude to commit un-ethical business					

2.3 Objective 3-The level of priority/attention given to ethical food business operations by concerned stakeholders to control un-ethical business expansions.*(To be fulfilled by concerned stakeholders)*

Please answer the following questions accordingly

Q1, Email Address _____ *(Optional)*

Q2, Organization name _____ *(Optional)*

Q3, Is your office among the main concerned responsible stakeholders, to control un-ethical business expansions by guiding, creating awareness and takes measures on involved business actors? Yes No

Q3.1, If your response to the above question is yes, please specify, on which your office focuses.

Guiding Creating awareness Takes measures Control
All Others please specify _____

Q4, Please list out with ranks of responsibility level of the main concerned responsible stakeholders, to control un-ethical business expansions by guiding, creating awareness and takes measures on involved business actors?

1st _____

2nd _____

3rd _____

4th _____

Q5, Please rate the level of priority given to ethical business formation in your organization, with the respective numbers 1—5 as per the following keys; **1—No, 2—low, 3—medium, 4—high, 5—very high**

S/N	Questions for the respondents	1	2	3	4	5
1	Ethical business formation practice					
2	Awareness creating programs on ethical business formation					
3	Adequate policesof ethical business formation					
4	Government and other stakeholder’s attention level					
5	Responsible professionals availabilityfor ethical business formation					
6	Availability of trainings/courses at higher schoolson ethical business formation					
7	Availability of specific written materials; guidelines & manuals for ethical business formation					

Q5.1, If you rate the 1st question in the above table, 1, 2 or 3 please specify why business going un-ethically from the following.

Lack of awareness of polices & control Sk ge of funds and facilities

Lack of responsible stockholders to control and guide All *Others please*

specify _____

Q6, Do you have any written materials (guidelines & manuals) of ethical business formation? It can be policy documents, strategies, plans, reports, publications, research/articles...etc.

Yes No

Q6.1, If your response to the above question is yes, could you provide me for review please? (Optional).

2.4 Objective 4-Challenges for food commodity suppliers to experience ethical business formation.*(To be fulfilled by food commodity suppliers)*

Please rate your level of agreement about the challenges of food commodity suppliers to experience ethical business formation with the respective numbers 1—5 as per the following keys; 1—very disagree, 2—not agree, 3—agree to some extent, 4—agree, 5—very agree

S/N	Questions for the respondents	1	2	3	4	5
1	Low level of awareness					
2	Shortage of funds expected from stakeholders (financing)					
3	Lack of facilities expected from stakeholders					
4	Low level of guidance expected from stakeholders					
5	Unfair competitive environment in the market					
6	Unfair taxation and customs facility					
7	Lack of incentive for ethical business formation					
8	Unavailability of legal frame work on ethical business					