

**FACTORS IMPACTING ON ETHICAL  
BEHAVIOUR IN ORGANIZATIONS**

BY

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**Dedicated to my family**

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“These are only hints and guesses, hints followed by guesses; and the rest is  
prayer, observance, discipline, thought and action”

T.S. Elliot

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## Summary

### Factors impacting on ethical behaviour in organisations

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The purpose of this study is to determine the factors impacting on ethical behaviour in organisations. More specifically the purpose of this study is to a) identify the factors impacting on ethical behaviour in organisations within a theoretical framework, specifically focusing on the South African context and b) to make certain recommendations to address the factors identified as impacting on ethical behaviour in organisations. To achieve these goals the study was designed in two phases. The first phase entails a theoretical inquiry with the aim of understanding the concepts of ethics as well as ethical and unethical behaviour, to identify the factors impacting on ethical behaviour in organisations, to provide practical recommendations to address these factors and provide a background to the second phase. The second phase consists of an empirical inquiry with the aim to identify the factors impacting on ethical behaviour in organisations based on the data gathered through a survey designed for this purpose. For each phase there is a separate discussion of the research methodology employed to achieve the objectives of that phase. A mostly qualitative research methodology was employed for the first phase while quantitative research was utilised during the second phase. The first phase contains two chapters each devoted to a separate topic. Chapter 3 unpacks the concept of ethics while chapter 4 looks at various models that identify factors



impacting on ethical behaviour in organisations and recommendations to address these factors. Chapter 3 also contains the definition and discussion of the concept of ethics as it relates to the purpose of this study, whereas chapter 4 also contains practical recommendations to address the specific factors identified as impacting on ethical behaviour in organisations. Chapter 5 contains the discussion of the research methodology for the empirical inquiry and presents the results thereof. In the last section of chapter 5 conclusions are made w.r.t the results of the study, the research quality is evaluated and recommendations are made for future research in this field. Some of the more salient conclusions of the study are:

- Ethics can be defined as the principles or standards that govern good and right behaviour.
- The entire population identified seven factors as impacting on ethical behaviour in organisations amongst which: leader or manager behaviour, code of conduct, values, beliefs, referent others, reward systems and parental influence.
- Results of the literature analysis indicated that there were six factors impacting on ethical behaviour in organisations, which include: referent others, leader or manager behaviour, reward systems, code of conduct, organisational culture and the individuals level of moral development.
- The results of the theoretical inquiry and empirical inquiry indicate that there are four factors in total that were identified in both phases of the inquiry as having an impact on ethical behaviour in organisations which are: referent others, leader or manager behaviour, reward systems and a code of conduct.

## Samevatting

### Faktore wat 'n impak het op etiese gedrag in organisasies

Deur

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Die doel van hierdie studie is om die faktore wat 'n impak het op etiese gedrag in organisasies te identifiseer. Hierdie doelwit is meer spesifiek verdeel in a) om die faktore binne 'n teoretiese raamwerk te identifiseer wat 'n impak het op etiese gedrag in organisasies, spesifiek in die Suid Afrikaanse konteks en b) om spesifieke aanbevelings te maak om die faktore wat 'n impak het op etiese gedrag in organisasies aan te spreek. Ten einde hierdie doel te bereik is die studie in twee fases verdeel. Fase 1 behels 'n teoretiese ondersoek ten einde 'n begrip te vorm van die konsep etiek asook etiese en onetiese gedrag, die faktore te identifiseer wat 'n impak het op etiese gedrag in organisasies, om praktiese aanbevelings te maak om die geïdentifiseerde faktore aan te spreek en 'n basis te lê vir die tweede fase van die studie. Die tweede fase bestaan uit 'n empiriese ondersoek wat ten doel het om die faktore te identifiseer wat 'n impak het op etiese gedrag in organisasies gebaseer op die data wat ingesamel is deur 'n opname wat ontwerp is vir die doel. Elke fase bevat 'n aparte bespreking van die navorsings metodologie wat benut is tydens die betrokke fase. Terwyl hoofsaaklik kwalitatiewe navorsing vir die eerste fase gebruik is het die tweede fase kwantitatiewe navorsing benut. Die eerste fase se resultate word in twee aparte hoofstukke bespreek. Hoofstuk 3 bespreek die konsepte wat betrekking

het op etiek. Hoofstuk 4 bespreek verskeie modelle wat faktore bevat wat 'n impak het op etiese gedrag asook aanbevelings om die geïdentifiseerde faktore aan te spreek. Hoofstuk 3 bevat ook die definisie van die konsep etiek soos dit vir die doel van dis studie gedefinieer is. Hoofstuk 5 bevat die resultate, interpretasie en gevolgtrekking van die empiriese ondersoek. Ter afsluiting word die resultate van die studie in die laaste seksie van hoofstuk 5 opgesom, die kwaliteit van die navorsing word beoordeel en aanbevelings word gemaak ter wille van toekomstige navorsing in die betrokke veld. Van die meer belangrike gevolgtrekkings uit die studie is:

- Etiek kan gedefinieer word as die beginsels en standaarde wat goeie en regte gedrag beheer.
- Die totale populasie het sewe faktore geïdentifiseer wat 'n impak het op etiese gedrag in organisasies waaronder: 'n leier of bestuurder se gedrag, gedrags kode, waardes, norme/oortuigings, verwysings groepe, vergoeding strukture, invloed van ouers.
- Die literatuur studie resultate het aangedui dat ses faktore 'n impak het op etiese gedrag in organisasies waaronder: verwysings groepe, 'n leier of bestuur se gedrag, vergoeding strukture, gedrags kode, organisasie kultuur, vlak van morele ontwikkeling.
- Uit die resultate van beide die literatuur studie en die empiriese studie blyk dit dat daar in totaal vier faktore is wat 'n impak het op etiese gedrag in organisasies, naamlik: verwysings groepe, 'n leier of bestuurder se gedrag, vergoeding strukture, gedrags kode.