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Business Ethics in practice and Organizational Culture: A Study of Selected Star-Rated Hotels in Kisumu City, Kenya

Ms. Emilly Akinyi Komunga

Kiriri Women`s University of Science and Technology, Kenya

ABSTRACT

Hospitality organizations today have written codes of ethics with statements such as integrity, equality, fairness, customer focus and commitment to excellence. However, hospitality organizations face difficulties in spite of written code of ethics in stemming out unethical issues such as fraud, unfair treatment, discrimination, misleading information and environmental harm through mainstreaming business ethical behaviour in organizational culture. This is evident as a result of little that has been done to ensure the written codes of ethics are embedded into the day-to-day operations. The main purpose of this study was to find out the effects of business ethics in practice on organizational culture. The specific objective was to find out the extent to which business ethics in practice affect organizational culture of hotels in Kisumu City, Kenya. The study employed descriptive survey design and explanatory research design. The target population was 150 employees, out of which 135 formed the sample size from five hotels rated between three to five star in Kisumu city. The study employed purposive sampling which was used to select five hotels. Simple random sampling was used to select the respondents. Instruments for collecting data included self-administered questionnaires and interview schedules. Questionnaires were distributed to employees in the selected hotels and interviews were conducted among 15 departmental managers of the five selected hotels. Reliability was tested using Cronbach's Alpha at the level of 0.7. Data analysis involved descriptive statistics and inferential statistics (multiple regression). The study yielded an R-value of 0.935 and an R Square value of 0.874. The findings of this study indicated that business ethics in practice ($t=6.772$, $p=0.000$) affect organizational culture. The study concluded that entrenched practicing business ethics affect organizational culture. The study therefore recommends that hospitality organizations embed business ethical practices into their day to day operations and increase measures that enable an ethical workplace in order to minimize unethical issues that arise at the workplace.

Key Words: Business Ethics and Organizational Culture

