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SCHOOL OF GRADUATE STUDIES**

**THE EFFECT OF ETHICAL STANDARDS ON
CUSTOMER SERVICE QUALITY: THE CASE OF
NIB INTERNATIONAL BANK**

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THE EFFECT OF ETHICAL STANDARDS ON CUSTOMER SERVICE QUALITY: THE CASE OF NIB INTERNATIONAL BANK

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The thesis is original and has not been submitted for the award of any degree or diploma to any university or institution.

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This is to certify that this thesis entitled “THE EFFECT OF ETHICAL STANDARDS ON CUSTOMER SERVICE QUALITY: THE CASE OF NIB INTERNATIONAL BANK” submitted to St. Marry’s University for the award of the Degree of Master of Business Administration (MBA) is a record of valid research work carried out by Mr. Henok Seifu, under our guidance and supervision.

Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or diploma.

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Acronyms

A: Accountability

A_MEAN: Mean of Accountability

C: Confidentiality

C_MEAN: Mean of Confidentiality

CSQ: Customer Service Quality

H: Honesty

H_MEAN: Mean of Honesty

T: Transparency

T_MEAN: Mean of Transparency

SPSS: Statistical Package for Social Sciences

ABSTRACT

This research investigates " THE EFFECT OF ETHICAL STANDARDS ON CUSTOMER SERVICE QUALITY: THE CASE OF NIB INTERNATIONAL BANK." ethical standard refers to a set of principles or guidelines that define what is considered morally right and wrong within a specific context. Customer service quality refers to the overall experience a customer has when interacting with a company's representatives across various touch points. To achieve the objectives of this study, data was collected through questionnaire from a sample of 432 customer of the bank. The data was gathered using questionnaires in order to meet the study's objectives. The selection of these respondents was done by random sampling. Multiple regression analysis, correlation, mean, standard deviation, and other statistical methods were used to examine the data gathered from the questionnaire. The results of this study have showed that, except transparency the other three ethical standards dimensions (Honesty, Confidentiality and Accountability) have positive and significant relationship with customer service quality. The result of this study also indicates that customers were most satisfied with the Accountability of the Nib staff. On the other hand, customers were less satisfied with transparency of the ethical dimension. Furthermore, the ethical standard dimensions (Honesty, Confidentiality, Transparency and Accountability) significantly explain 71.1% of the variations in customer service quality in Nib International Bank S.C. Based on the findings the researcher have recommended new and additional points to foster the effectiveness of this ethical standards in pursuing good quality of service given.

Key Words: Ethical standard, Customer service quality and Ethical standard dimensions

CHAPTER ONE

INTRODUCTION

This paper deals about the effects of ethical standards on customer service quality in NIB Bank. The introduction section of the research includes background of the study, statements of the problem, objectives of the study, limitation of the study, scope, definition of key terms and organization of the study

1.1 Background of the study

Nib International Bank SC. NIB is one of the commercial banks in Ethiopia established on May 26, 1999 in according with the Commercial Code of Ethiopia and the proclamation for Licensing and Supervision of Banking Business proclamation on. 84/1994 with the paid up Capital of birr 27.6 million and authorized capital of Birr 150million by 717 Shareholders. The Bank commenced the operation on 28 October 1999 by 27 employees. Currently, Nib International Bank as at June 30,2022 the total Assets of the Bank reached at Birr 61.5 billion which grew by 13.5% over last year' Position. (Nib International Bank, 2023)

Nib International Bank operates in a dynamic business environment where there is high competition, continuously increasing customer expectation of service excellence and increasingly stern regulation. In order to fit well to this environment while facilitating a sustained growth, the Bank adopts a strategic plan for the year 2021 that clearly articulates the targets and commensurate strategies. In order to fit well to this environment while facilitate a sustained growth, it appeared imperative that the Bank adopts a strategic plan for the year 2021 that clearly articulates the targets and commensurate strategies. The main objectives of the plan are to clearly spell out Nib International Banks future needs, identify challenges and opportunities; prepare clearly defined strategic themes, expected strategic results and strategic objectives; and prepare an indicative action plan and streamline the activities on the basis of the strategic plan. Specific objectives are outlined in all major operational areas based on assumptions about the future political, economic, social and technological environments. (Nib International Bank, 2023)

To a great extent, customer's transition to alternative banks mainly depends on bank employee's ethics. When employees are ethical, they become more reliable and trustworthy in the eyes of

customers. As a result, customer satisfaction improves. (Eisenberg, 2020) However, ethical issues could have a significant impact on the standard of service provided to customers by banks. Banks are entrusted with the management of money by customers who in turn trust banks to conduct their financial business responsibly and ethically. (Crane, 2023) The failure to meet these demands may result in trust and customer satisfaction, with all negative outcomes falling on the bank. However, the capacity of banks to provide quality customer care services can be spoiled by unethical practices. It also increases client satisfaction, client value and the level of clients' loyalty for financial institutions putting a great emphasis on ethics. (Pohl.M, 2019).

Studies have indicated that banks that place a high priority on these moral principles typically have happier and more devoted customers. For example, (Chen, 2020), study discovered that consumers view banks that are honest and transparent as more reliable, which boosts customer satisfaction and encourages repeat business. In a similar vein, putting in place strong confidentiality protocols not only protects consumer privacy but also raises confidence in security and dependability, strengthening the bond between banks and their customers.

(Guo K. , 2022), defines service quality as the extent to which a service meets customers' needs or expectations. Always there exists an important question: why should service quality be measured? Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery. (Eisenberg, 2020), state that, in their experience, the starting point in developing quality in services is analysis and measurement. It is impossible to exaggerate the significance of good customer service in the banking industry because it has a direct impact on clients' satisfaction, loyalty, and eventually the profitability of banks. Transparency, Honesty, Accountability, and Confidentiality are ethical standards that have a significant impact on how customers perceive the kind of service they receive from banks.

Some research shows how honesty, confidentiality, transparency, and accountability affect the level of customer service provided by banks. These elements are essential for fostering a relationship of trust between banks and their clients, which in turn influences client loyalty and satisfaction.

Service quality "has become as one of the key driving forces for business sustainability and is vital for firms' accomplishment" (Rust, 2006). "Customer service quality is a crucial source of

distinctive competence and often considered a key success factor in sustaining competitive advantage in service industries” (Palmer, 2007) “Service quality in banking implies consistently anticipating and satisfying the needs and expectations of customers”. (Parasuraman, 1988) “noted that the key strategy for the success and survival of any business institution is the deliverance of quality services to customers.” (Kettinger, 2008) “defined Service quality as the subjective comparison that customer’s make between the quality of the service that they want to receive and what they actually get.” (Crane, 2023) “described service quality as a form of attitude that results from the comparison of expectations with performance.”

(Parasuraman, 1988) “found that service quality is significant predictor of customer satisfaction by using SERVQUAL instrument.” The successfulness of organization is, therefore, determined partly by the customer satisfaction. Accordingly, (Newman, 2003) “believes that excellent service quality is vital to business profitability and survival.” Thus, from the finding of Newman and Cowling, the researcher understands that if service quality is going down in the organization, it will have negative effects on the organization’s profitability. Thus the intention of this paper is to assess service quality dimension in Awash Bank and to ascertain what changes in service quality dimension will have on customer satisfaction and profitability of the firms.

1.2 Statement of the problem

Honesty is a key component of good customer service in banks. Customers respect honesty in their relationships with bank workers, according to studies. Customers are more likely to have a favorable opinion of a bank and its services when they believe that bank staff is reliable and honest (Bendapudi, 1997). Since customers are more inclined to maintain their relationship with a bank, they believe to be honest; honesty is also positively correlated with customer loyalty. The Wells Fargo incident in 2016 is one instance of the practice of honesty between bankers and customers. A \$185 million settlement with regulators followed the discovery that the bank had opened millions of unauthorized accounts for consumers without their knowledge or approval. (US Department of Justice, 2020) Wells Fargo CEO John Stumpf resigned in response to the scandal, and the company introduced a number of reforms meant to increase honesty, accountability and transparency. These included setting new sales targets and incentives for staff members, improving training and oversight, and communicating with customers more frequently about their accounts. (Wells Fargo, 2017). The possible effects of failing to uphold these

standards are shown by this case, as well as the significance of honesty and ethical behavior in the banking sector. It also highlights the necessity of continual initiatives to foster communication and trust between bankers and customers.

Another critical component of the level of customer service provided by banks is confidentiality. Customers anticipate the confidentiality and security of their personal and financial information. Customers are more inclined to trust and confidence banks that priorities confidentiality and have strong security measures in place (Laukkanen, 2007).

In the banking sector, confidentiality has a significant impact on customer satisfaction and trust. Customers are more likely to trust and be satisfied with their bank when they believe their personal information is kept private, Customers are growing more concerned about the security of their financial information in the current environment, where cyber threats and data breaches are on the rise. Strong security measures and a focus on secrecy make bank employees appear more dependable and trustworthy, which increases customer loyalty and generates positive word-of-mouth referrals. (Ethics Resource Center, 2016).

Customers are becoming increasingly wary of the personal data they share with businesses. At the same time, the demand for highly personalized brand interactions has never been greater. A recent Verizon study found that 45 percent of young customers (ages 18 to 24) would share personal data in exchange for a more intuitive and personalized user experience. Yet 69 percent of all customers who were polled, regardless of age, stated they would avoid companies that have a history of data breaches. Businesses must be able to balance the collection of customer data with the need for data privacy in order to provide the personalization consumers expect, without compromising or exploiting their information. The key is prioritizing customer transparency—this helps you deliver a superior experience, establish trust, and foster loyalty. (Galic, 2023)

Building trust and improving customer service in banks require transparency. Customers feel more informed and in control of their financial decisions when banks are honest about their policies, fees, and decision-making procedures. Higher levels of trust are also a result of transparency since it lessens the knowledge imbalance that exists between banks and their customers (Guo K. , 2022) .

There is no clear consensus among bankers and customers on whether transparency impacts customer loyalty and satisfaction. According to a (An Accenture Corporation, 2018), only 48% of customers felt that their bank was open and transparent regarding fees and charges, whereas 83% of banking executives said that transparency was crucial for fostering customer trust. Similarly, a study by (Khan, 2019), discovered that while the effect was not substantial for all customers, transparency had a beneficial impact on customer satisfaction and loyalty. Overall, it appears that being transparent with customers might help foster their trust and loyalty, while it may not be the only or most significant element.

In banks, accountability is a crucial part of providing high-quality customer service. Customer trust and confidence are increased when banks take responsibility for their activities and accept blame for any mistakes or errors (Ganesan, 2010). According to research, perceived responsibility in the banking sector positively affects customer satisfaction and loyalty (Kim, 2011). There is evidence to support the idea that a bank's perceived responsibility actually shows up in real life scenarios and can aid in retaining customers. A bank's perceived responsibility was found to have a beneficial impact on customer trust, satisfaction, and loyalty in a study by (Park.H, 2019). The study also discovered that perceived responsibility has a greater impact on consumer loyalty than other elements like service quality and convenience.

The problem addressed in this research titled as: " THE EFFECT OF ETHICAL STANDARDS ON CUSTOMER SERVICE QUALITY: THE CASE OF NIB INTERNATIONAL BANK" is about the potential impact of lack of ethical standards on the quality of customer service provided by Nib bank. This study aims to investigate how ethical concerns, such as dishonesty, unfair treatment, or lack of transparency, not being accountable and transparent influence customer satisfaction and loyalty in the banking industry. This study looks at the connection between ethical standards and the level of customer service in order to pinpoint the major causes of customer switching to other banks and suggest ways for banks to improve their ethical behavior and boost customer satisfaction.

1.3 Research Questions

1. What are the effects of honesty, confidentiality, transparency, and accountability on customer service quality in Nib International Bank?
2. Are these ethical standards highly significant in terms of ensuring customer service quality?
3. Does Nib International Bank employees possess these ethical standards?

1.4 Objectives of the study

1.4.1 General Objective

The general objective is to assess and understand the impact of honesty, confidentiality, transparency and accountability on customer service quality at Nib International Bank.

1.4.2 Specific objectives

To achieve this research aim, the following specific research objectives are set:

- To examine the effect of Honesty on customer service quality of Nib International Bank.
- To understand the effect of Confidentiality, on customer service quality of Nib International Bank.
- To examine the effect of Transparency on customer service quality of Nib International Bank.
- To examine the effect of Accountability on customer service quality of Nib International Bank.
- To understand the significance level of these ethical standards in terms of ensuring customer service quality.
- To recommend solutions to watch over the impact of ethical issues on customer service quality at NIB.

1.5 Hypothesis

Hypothesis 1: Honesty does not significantly affect customer service quality.

Hypothesis 2: Confidentiality does not significantly affect customer service quality.

Hypothesis 3: Transparency does not significantly affect customer service quality.

Hypothesis 4: Accountability does not significantly affect customer service quality.

1.6 Significance of the study

The significance of the study lies in its potential to contribute valuable insights and knowledge to both academic and practical domains.

The findings of this study will advance our understanding of the connection between ethical issues and the standard of customer service in the banking sector. A deeper grasp of the ethical aspects of customer service delivery will be provided by looking at the specific ethical problems bank personnel encounter. By examining how ethical considerations affect customer satisfaction, loyalty, and retention, this study will also advance the discipline of business ethics. (Eisenberg, 2020)

The study's conclusions will be very pertinent to and helpful to Nib International Bank and other financial organizations. Organizations can learn possible areas for development in their customer service practices by identifying and examining the ethical challenges faced by bank personnel. In order to properly prioritize and devote resources to solve these challenges, banks will need to understand how ethical considerations affect loyalty. Exploring the tactics and procedures used by banks to address ethical issues can also offer organizations looking to improve the quality of their customer service with useful information. (Brown.Michael & Mitchell.Marie, 2010)

According to (Ganesan, 2010) unethical practices with regard to bank customer service have broader societal impacts. Banks are essential to the economy, and the public's faith in the financial system is directly impacted by their ethical behavior. This study can help to promote an ethical culture and responsible business practices within the banking industry by emphasizing the value of ethical behavior in providing customer care.

Overall, the importance of this study lies in its potential to offer banks insightful analysis and practical advice on how to handle ethical issues, improve the quality of customer service, and ultimately boost organizational performance while preserving the public's confidence in the banking sector. (Eisenberg, 2020)

1.7 Scope of the study

The scope of this study have primarily targeted on three Nib International Bank branches namely Geija Sefer, Darmar and Nib Halal Geija Sefer branches that are found in the Central District.

The study have focused on examining the effect of ethical standards followed by bank employees and their impact on customer service quality. The research have taken the customer service quality as dependent variable while taking the ethical standards like honesty, confidentiality, transparency and accountability as independent variable. It have involved collecting data from customers that use these branches to obtain a comprehensive understanding of the ethical issues and their consequences.

It is crucial to remember that this study's scope is constrained to this area and might not cover all potential ethical variables or customer service techniques. For banks looking to address ethical issues and enhance the quality of their customer service, the findings and recommendations might offer insightful advice.

1.8 Limitation of the study

The sample size is relatively small. The sample size for this study is 432. This is a relatively small sample size, which means that the results of the study may not be generalizable to the entire population of Nib bank customers.

It is a cross-sectional study. This indicates that the study only assesses the relationship between ethical issues and the standard of customer service at one particular moment which is a current situation that can be different after a time. It's feasible that these ethical issues-customer service quality interactions will alter throughout time.

The study considers only a few ethical problems. Only four ethical issues are examined in the study: Honesty, confidentiality, accountability and transparency. The standard of customer service may also be impacted by other ethical concerns.

Despite the above four major ethical standards are concern for customer service quality, Other ethical variables such as responsiveness and professionalism which is could highly influence the standard of customer service are not controlled in the study. As responsiveness and professionalism are means willingness to help customers and provide prompt service.

“Customers are very sensitive to employees' working environment in service organizations”.
(Brown K. a., 1993).

1.9 Organization of the Study

This research is organized into five chapters. Chapter one contains background of the Study, , statement of the problem, research objectives, hypothesis of the study, significance of the study, scope of the study and limitations. Chapter two provides a literature review providing information of what is already known in this area of study including both theoretical and empirical review. Chapter three discusses the research methodology in the study, including, research design, research approach, sample size and sampling technique, data source and collection method, procedure of data collection and method of data analysis. Chapter four is about data analysis and discussion of results. Finally, chapter five is about summary of major findings , conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

This chapter reviews the literature on the effect of ethical standards on customer service quality. Reviews of related articles and earlier research were conducted. Additionally, significant portions were chosen and added to the discussion section.

2.1 Theoretical Review

Researchers and academics in the field of business ethics have been interested in the relationship between ethical issues and the standard of customer service in banks. Numerous researches have looked into the connection between ethical factors and customer service outcomes, offering insightful information on how crucial ethical behavior is in the banking sector. (Smith W. J., 2012)

Businesses and cultures might have quite different ethical standards. To prevent overgeneralization and guarantee that research findings have relevant implications across a range of contexts, it is necessary to take these variances into consideration (Beroš, 2019). Strong, enduring relationships with customers are fostered by ethical enterprises, which inspire trust. Research sheds light on the ways in which particular moral behaviors support these positive outcomes (Crane, 2023). Businesses that are known for their ethical conduct may have an advantage over rivals. Examining this connection shows that companies should value moral practices more than just following the law. (Smith W. J., 2012).

Businesses have a social duty to behave ethically. This field of study aids businesses in comprehending how they might benefit society and consumers alike. In 2003, (Carroll, 2003) Research on the long-term effects of ethical standards on customer service quality is few. Studies with a longitudinal design may be able to shed light on whether moral behavior has a long-lasting, beneficial impact and how it might change over time. (Ferrell, 1985). While studies have been conducted in certain areas (e.g., healthcare), there is a dearth of thorough study in many other businesses regarding the precise relationship between ethics and customer experience. Focused research could identify best practices and variances among various fields. (Brady, 2001)

Numerous scholars have noted that because service quality is an elusive and abstract concept, it is challenging to quantify (Parasuraman, 1988). "The intangibility of service that can only be rendered or experienced but not change the physical ownership after consumption" was defined by Shostack (1977). According to (Parasuraman, 1988), "the delivery process is just as important to the quality of the service as the final product." Additionally, although satisfaction and service quality are related, they are not the same (Cronin and Taylor, 1992; Parasuraman et al., 1985). Furthermore; different academics came up with varied definitions of service quality. "The degree to which a service satisfies customers by meeting their needs, wants, and expectations" is how (Brady, 2001) describe quality.

2.1.1 Ethical standard dimensions

(Thomas M. Jones, 2010), looked at how ethical concerns affected customer loyalty and satisfaction in the banking industry. The study's findings revealed that moral conduct, such as treating customers fairly and keeping their information private, had a big impact on their satisfaction and loyalty. They emphasized the necessity for banks to give ethical behavior top priority in order to improve the quality of client service.

Similar to the previous study, Smith et al. (2006) also looked at the role of ethical conduct in fostering long-lasting relationships with clients in the banking sector. Customers were more inclined to trust and stick with banks that displayed moral behavior, such as honesty and fair treatment, according to the researchers. They emphasized the significance of moral issues when providing customer service.

For banks specifically, transparency and accountability are even more crucial than that of other businesses. Banks assist in supporting business operations in all other economic sectors by acting as middlemen between investors and money borrowers. As financiers, they are jointly liable with the managers and owners of these businesses for the effects of the operations of their clients. Banks must therefore educate the public about both their own policies and the activities of their clients for which they offer finance. Banks benefit from the actions of their debtors, hence they are accountable for the social and environmental consequences of those actions. Banks must be as transparent as feasible with regards to this duty in order to demonstrate that they understand it. To show that they acknowledge this responsibility, banks need to be as transparent as possible with regard to the companies, projects and countries they finance. (Beroš, 2019)

Organizational performance indicators have also been looked at in relation to ethical concerns with the quality of customer service, in addition to customer views. The effects of ethical considerations on organizational profitability and market share in the banking industry were examined in a study by (Johnson. Russell, 2010). Researchers discovered that banks with greater levels of ethical behavior outperformed banks with lower ethical standards in terms of financial performance and market position. They emphasized the strategic value of handling ethical issues to gain the upper hand.

Research has also concentrated on examining the elements that contribute to ethical issues in the provision of customer service at banks. In a 2010 study, (Brown M. a., 2010) looked at how organizational culture affects ethical conduct in the banking sector. The researchers discovered that a strong ethical culture with distinct values and norms had a favorable impact on employee behavior and the quality of customer care. They recommended that banks promote an ethical culture to address ethical issues.

Service quality leads to customer dissatisfaction and customer desertion to rival businesses. Building and maintaining strong relationships with customers as well as providing quick, efficient responses to their requirements and wishes are essential for any bank in order to create customer satisfaction. (National bank of Ethiopia, 2017)

2.1.1.1 Honesty

Honesty is the consistent commitment to truthfulness and fairness in all interactions and dealings with customers. (Ethics Resource Center, 2016)

Being honest to customers increases trust and establishes instant credibility. Customers are aware that it takes bravery to address a problem head-on without sugarcoating or skirting it. They will recognize that the company is built on integrity when you accept responsibility and explain why their order was delayed or why they received the wrong item twice. (Susan, 2021)

2.1.1.2 Confidentiality

Confidentiality is an ethical standard that involves protecting a customer's personal information and ensuring that it is only used for legitimate business purposes with their consent. (Crane, 2023). (Carter, 2020) Investigated the relationship between customer service quality and privacy-enhancing options (such encryption). The significance of information security was demonstrated

by the results, which indicated that customer satisfaction was positively impacted by perceived privacy protection.

2.1.1.3 Transparency

According to (Cicala, 2014), Transparency means providing customers with clear, accurate, and easily accessible information about a company's products, services, pricing, policies, and practices. This includes being open and honest about potential issues, limitations, or changes that might affect the customer's experience.

Transparency plays a crucial role in ensuring customer satisfaction. When businesses are open and honest about their pricing structures, customers feel more empowered and confident in the service they are getting. This transparency builds trust and fosters a positive relationship between the business and its customers. (Fastercapital, 2021)

2.1.1.4 Accountability

According to (Eisenberg, 2020) accountability can be defined as an ethical standard that emphasizes taking responsibility for the actions and decisions of the company and its representatives when interacting with customers. (Brown T. J., 2009) examined the connection between maintaining customers and ethical customer service methods. Results showed that responsiveness and accountability—two ethical behaviors—had a favorable impact on retention of customers.

(Smith W. J., 2012), examined how ethical leadership affects the standard of services. According to the study, ethical leadership—which places a strong emphasis on accountability—creates a culture where the needs of the customer come first, which eventually improves the quality of the services provided.

2.1.2 Ethics Theories

2.1.2.1 Ethical Leadership Theory

According to (Brown M. E., 2005) ethical leadership theory places a strong emphasis on the role of leaders in fostering ethical behavior and fostering a supportive ethical environment within organizations. According to ethical leadership theory, leaders may persuade staff members to act morally and make choices that put the needs of customers before their own interests by setting a strong ethical tone and exhibiting ethical behavior. For instance, moral bank leaders can set up

definite standards for moral conduct and give advice on how to resolve moral conundrums. They can also set an example by acting with morality, sincerity, and openness in their own behaviors and decision-making. By doing this, moral leaders foster a climate of trust and responsibility where staff members are encouraged to act morally and put the needs of customers first.

Additionally, ethical leadership theory emphasizes the value of openness and communication in tackling ethical challenges at banks. Ethical leaders should promote open communication and offer avenues for staff to report unethical behavior or other issues. Leaders may make sure that ethical issues are dealt with quickly and successfully by promoting a culture of transparency. The vital part that leaders play in fostering ethical behavior and addressing ethical concerns at banks is emphasized by ethical leadership theory. Leaders can improve the general level of service quality and client happiness in the banking sector by modelling ethical behavior and fostering a favorable ethical environment. (Brown M. E., Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, 2005)

(Wicks, 1999), ethical behavior significantly affected consumer loyalty and satisfaction. According to (Johnson, 2010), banks with higher levels of ethical behavior have stronger financial results and market positions. (Brown.Michael & Mitchell.Marie, 2010) highlighted how organizational culture affects moral behavior and the quality of customer service. According to the research, moral concerns have a favorable impact on client satisfaction, brand loyalty, and organizational performance. In handling ethical difficulties and improving customer service quality, important variables such organizational culture, staff training, incentive structures, and regulatory frameworks are essential.

Several theoretical stances can be used to understand how ethical concerns, such as honesty, confidentiality, accountability, and transparency, affect customer service in banking. The goal of this theoretical framework is to give readers a thorough grasp of how these ethical standards relate to one another and to how they affect consumer satisfaction and trust in the banking industry.

2.1.2.2 Trust Theory:

The importance of trust in establishing and sustaining connections between businesses and customers is emphasized by the trust theory. Establishing confidence in customer service in banking requires a number of key components, including honesty, secrecy, transparency, and responsibility. According to research, banks can increase customer trust and perception of service quality by being honest and providing accurate information (honesty), protecting customer information (confidentiality), communicating clearly about fees and terms (transparency), and taking responsibility for actions (accountability). (Sirdeshmukh. D, 2002)

2.1.3 Service quality Dimensions

"Services are more difficult to evaluate than tangible goods due to their unique characteristics of intangibility, heterogeneity, and inseparability, which lead them to possess high levels of experience and credence properties" (Bitner, 1994). According to Johnson (1995), "it is necessary to identify the determinants of service quality in order to specify, measure, control, and improve customer perceived service quality. "According to (Parasuraman, 1988) the SERVQUAL is a short, multiple-item scale that has strong validity and reliability that researchers may use to better understand what customers want and expect for services and, ultimately, enhance those services. Additionally, SERVQUAL was chosen since it is significant when utilized in conjunction with other service delivery methods and on occasion to monitor trends in service quality.

2.1.3.1 Reliability

The reliability component of service quality can be defined as the process by which a service provider continues to be dependable in providing services to its clients (Liu-Qin, 2010). A service provider's capacity to continuously deliver a perceived level of quality is guaranteed to the customer by reliability. Trust and the overall impression that a consumer gets of a service after using it are impacted by reliability (Ethics Resource Center, 2016)

2.1.3.2 Assurance

According to (Bitner, 1994), clients can feel greatly reassured by the way staff members demonstrate their learned knowledge when executing their preferred terms of service. Customers can feel more confident that the service delivery representative will carry out their responsibilities in a morally and professionally manner as a result. According to Naidoo (2014),

it may be necessary to use effective communication or provide personal explanations to consumers who lack the competence to appreciate the level of service and values they have received. The people component of service quality is how this dimension of quality is carried out (Kaura, et al., 2012).

2.1.3.3 Empathy

According to (Carroll, 2003), empathy is the capacity of service delivery organizations to focus on the unique needs and challenges of each client and then successfully solve these concerns. According to (Beroš, 2019), empathy is also defined as the company's acceptance of responsibility for resolving issues that consumers encounter on a group or individual basis. According to (Freeman, 1984) the people component of service quality influences how this dimension of quality is perceived.

2.1.3.4 Responsiveness

According to (Brown M. E., Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, 2005), responsiveness is the process by which service providers respond promptly to resolve a customer's issue in a positive manner within a specified amount of time. The people component of service quality influences how this dimension is viewed. On the other hand, the responsiveness of service delivery firms is enhanced by information technology advancements such as emails, webpages, and customer support interfaces (Usha Lenka D. S., 2010)

2.1.4 Service Quality Theory

According to the service quality hypothesis, increasing levels of customer satisfaction result from fulfilling or exceeding their expectations (Parasuraman, 1988). According to the service quality theory, banks may meet their customers' expectations and guarantee their happiness by upholding ethical standards including honesty, secrecy, transparency, and accountability. For instance, banks can increase their clients' perception of the quality of their services by giving them accurate and trustworthy information (honesty). In a similar vein, banks can prove their dedication to upholding the confidentiality and security of their clients' data by securing customer information (confidentiality). Additionally, banks may create a perception of fairness and trustworthiness by being transparent about costs and terms and accepting responsibilities for their actions, which further contributes to the financial system. (Roby, 2022)

2.2 Empirical Literature Review

The empirical investigation highlighted the important influence of moral conduct of the employee on the standard of customer service in the banking sector. Customer satisfaction, brand loyalty, and overall organizational performance are all favorably impacted by ethical concerns. Contrarily, unethical behavior can have detrimental effects including displeased customers, loss of confidence, legal troubles, and reputational harm. Banks should concentrate on elements including organizational culture, employee training, incentive structures, and regulatory frameworks in order to address ethical concerns and improve the quality of customer service. (Guo K. , 2022)

It is impossible to overstate the significance of good customer service in the banking sector. According to prior studies, giving clients excellent service increases their satisfaction and loyalty, which benefits banks in the long run (Roby, 2022). For instance, a study titled "Service Quality, Customer Satisfaction, and Customer Loyalty in Indian Commercial Banks" by (Usha Lenka D. S., 2010) discovered that better human, technical, and tangible aspects of service quality in bank branches were found to increase customer satisfaction. This study recommends that increasing customer satisfaction in the banking sector by concentrating on enhancing the many aspects of service quality.

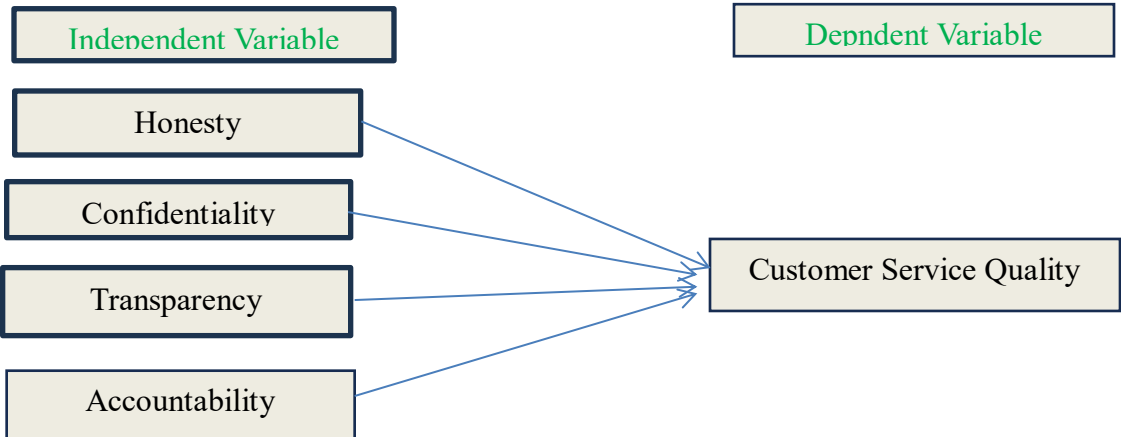
In addition, studies on the interactions between businesses and consumers have emphasized the value of excellent service in promoting client satisfaction and loyalty. According to research, when clients believe the quality of the services is high, they feel more satisfied and happier, which increases customer loyalty. (Usha Lenka D. S., 2010)

A study by (Guo, 2022) showed the detrimental effects of unethical behavior in the banking sector. They discovered that unethical practices, such as mis-selling financial items, might result in unhappy customers and a loss of faith. Customers may then switch to other banks or spread bad rumors as a result, which would be detrimental to a bank's reputation. Additionally, unethical behavior might cause banks to run into legal and regulatory problems. Banks that commit fraud or break the law risk fines, legal repercussions, and harm to their reputation. Their financial performance and market position may be significantly impacted by these consequences.

The importance of customer satisfaction in promoting profitability was highlighted by their findings, which showed a favorable association between customer satisfaction and the financial performance of the banks (Taati.E, 2020). For instance, a study carried out in Malaysia looked into the effects of staff commitment, innovation, and service quality on bank performance. According to the study's findings, the success of Malaysian banks is significantly influenced by service quality, innovation, technology, and personnel dedication. Customers who have positive opinions of the quality of the services they receive tend to express higher levels of satisfaction, according to a different study that was especially focused on retail banks. This implies that raising service standards may boost client satisfaction in the retail banking industry. (Ismail, 2006)

Overall, the empirical literature demonstrates that customer satisfaction and service quality are positively correlated in the banking sector. Ethical concerns and their impact on the standard of customer service are a crucial consideration in addition to customer satisfaction. Regarding the effect of ethical issues on customer service quality at banks, limited research has been conducted in this area. But considering the relationship between ethical issues and customer service quality, ethical issues are the primary factors that affect the quality of customer service.

2.3 Conceptual Framework



Source Primary data, 2024

CHAPTER THREE

RESEARCH DESIGN & METHODOLOGY

These chapters include the research design and methodology. The research design, research approach, sampling technique and sample size, source of data and collection method, validity and reliability tests are presented.

3.1 Research Design

The purpose of explanatory research conducted here is to determine the kind and amount of cause-and-effect relationships. Causal research can be carried out to evaluate the effects of particular modifications on standard practices, different procedures, etc. This implies that the quality of customer service will be affected if ethical standards change, and the relationship between service quality and customer pleasure will also be examined. Verifying if and to what degree they have a positive or negative relationship.

3.2 Research Approach

The study is carried out according to several protocols, procedures, and criteria. However, using quantitative methods is the most appropriate way to do this research.

A set number of respondents, a list of questions, and planned response options were all part of the quantitative approach. Data from large samples can be processed and analyzed using reliable and consistent procedures through quantitative data analysis. Based on these the researcher is used quantitative research approach.

3.3 Sampling Technique and Sample Size

For this study the researcher has used random sampling techniques, because participants were selected based on availability and willingness to take part. Using this sampling technique, the researcher has taken 432 customers who are the nearest to the problem under study. The number of respondents have increased from the sample size to increase the reliability of the study. As a result, the researcher has determined the samples of the study at 5% sampling error and with 95% confidence level due to this, error at five percent did not affect the reliability and validity of the results.

Accordingly, the sample size of this research has been determined as follows. Because of almost all the respondents will be regular (known) but random customers.

$$n = \frac{N}{1 + Ne^2} \quad \text{Where: } n = \text{sample size, } N = \text{population}$$

$$1 + Ne^2$$

$$n = \frac{15647}{1 + 15647(0.05)^2} \quad n = 390$$

$$1 + 15647(0.05)^2 \quad e = \text{allowable error}$$

Table 3.1 Number of branch customers

Selected Branches	Number of customers as of April 03,2023	Percentage share from total (%)	Sample size from branches
Geija Sefer	5684	36	140
Darmar	7196	46	179
Nib Halal Geija Sefer	2767	18	71
Total	15647	100	390

Sources: from NIB annual report as of June 30, 2023

Despite the data shows number of sample are around 390 this research have collected data from 432 that is more than enough to start analyzing the responses.

3.4 Target population

Customers of the bank have participated in this survey. Participants who have recently dealt with the banks customer service officers have been chosen using a random selection technique. A power analysis was used to estimate the sample size to provide sufficient statistical power.

3.5 Data Source and Collection Method

The survey questionnaire consists of sections that have assessed the perception of customers regarding ethical issues in customer service, including factors such as transparency, honesty, accountability, and confidentiality.

Pilot research has been carried out with a limited number of participants in order to guarantee the validity and reliability of the survey instrument. The pilot study's feedback was used to improve the questionnaire.

Primary Data were be obtained by having employees show up at the locations where the information is gathered, making it simple to distribute and manage the data. A well-documented questionnaire will be given to participants.

Collection Methods for Secondary Data: Through reviewing and assessing reports, policy and procedures, previous researches was how the secondary data's are obtained.

3.6. Validity and reliability

3.6.1 Validity Test

A qualitative researcher should take into account validity and reliability when evaluating the study's quality, designing the investigation, and interpreting the findings, according to Patton (2001). Research philosophies and techniques are typically connected (Saunders et al. 2007). Therefore, the research goal and methodologies were closely examined to guarantee the validity of this study. In order to maintain the validity of the research, questions were created based on theories and literature already in existence that was pertinent to the study's issue. The study's reliability is deemed high due to the major source of information obtained through questioning techniques, as well as the application of pertinent theories. The respondents that were chosen are bank customers and customer care representatives. To enhance comprehension and validate the study's dependability, a structured approach is employed throughout the research procedure.

3.6.2 Reliability

The regularity and dependability of measurement devices are referred to as reliability. To determine if it is appropriate to depend on the respondents' responses, one of the internal consistency techniques for reliability assessment—the corn batch alpha coefficient—was used. For a coefficient to be deemed dependable, it must fall between 0 and 1. The item's internal consistency is improved because the result is getting closer to 1, indicating that all of the items measure the same thing—that is, overall ethical standard and service quality. As a result the the coefficient of this research have lied close to 1.

3.7. Methods of Data Analysis

The statistical procedures utilized in this study, multiple regression analysis, correlation analysis, and descriptive analysis, were all performed using the Statistical Package for Social Science (SPSS) software to analyze and present the data.

Descriptive Analysis

To provide a simplified view of the data, tables, frequency distributions, and percentages were used to display the descriptive statistical results. Summary statistics, which are used to calculate the means and standard deviations for each variable in the study, were used to do this. In data analysis, descriptive statistics is employed to examine the characteristics and distribution of the collected data. Inferential statistics like regression and correlation analysis are used to examine the connection between this ethical norm and the caliber of customer service.

Correlation Analysis

The degree of correspondence between variables is known as correlation. This suggests that the relationship is reciprocal or mutual, but according to (Roby, 2022) "we did not include any proposition that one thing is the cause and the other the effect in our concept of correlation." This definition guides the use of correlation analysis in this study, which looks at the strength of the relationship between the variables under investigation. This investigation's Spearman's rho The associations between the Bank's customer service quality and ethical standard dimensions were assessed using Pearson's correlation coefficient.

Multiple Regression Analysis

Multiple regression analysis was used to investigate the effect of ethical standards on customer service quality on Nib International bank

Regression functions

The dependent variable in this study is customer service quality, and the independent variables are honesty, confidentiality, transparency, and accountability. These two sets of variables serve as the foundation of the multiple regression equation. Regression equations are primarily used in studies to help researchers better understand, predict, describe, and manage the variables that are being studied.

3.8 Ethical Considerations

The study approach has taken ethical issues into account at all times. Prior to participating, participants' informed consent has been sought and they were guaranteed confidentiality and anonymity.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

In this chapter as discussed earlier in chapter one data were collected, based on the research objectives, are properly presented, analyzed and discussed. More than four hundred thirty two questionnaires were distributed and four hundred three were collected from customer served in different NIB branches. This study intends to look into how ethical standards affect Nib International Bank's quality of customer service.

4.1 General Information of Respondents

The socio-demographic characteristics include: gender, age, education level, frequency of using the bank and year of being NIB international banks customer. This aspect of the data analysis deals with the personal data on the respondents of the questionnaires given to them.

Table 4. 1 Gender

Socio-demographic characteristics	Category	Frequency	%
Gender	Male	290	67.1
	Female	142	32.9
	Total	432	100.0

Source: Primary data, 2023.

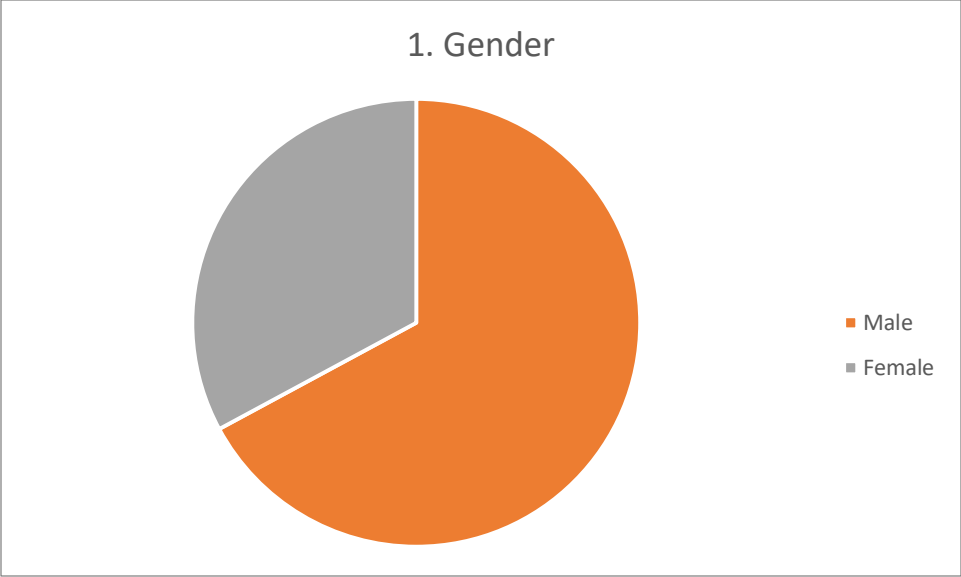


Figure 4. 1 Gender

Source: Primary data, 2023.

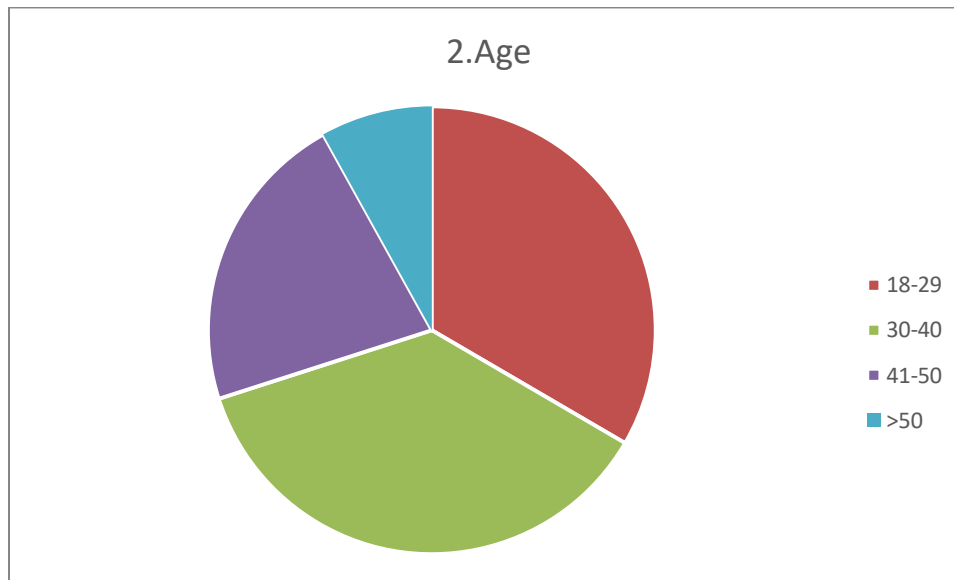
The researcher required the participants of the study to indicate their gender. According to the study findings, it was established that majority of the respondents were Male as shown in the above figure, by 67.1 percent while the rest were Female as shown 32.9 percent. This is an implication that males are mostly visit NIB branches to get the service provided by the Bank due to the area being a work area of garage and vehicles spare parts.

Table 4. 2 Age

Age	Age category (years)	Frequency	%
	18-29	145	33.4
	30-40	159	36.6
	41-50	95	21.9
	Above 55	33	8.1
	Total	432	100.0

Source: Primary data, 2023.

Figure 4. 2 Age



Source: Primary data, 2023.

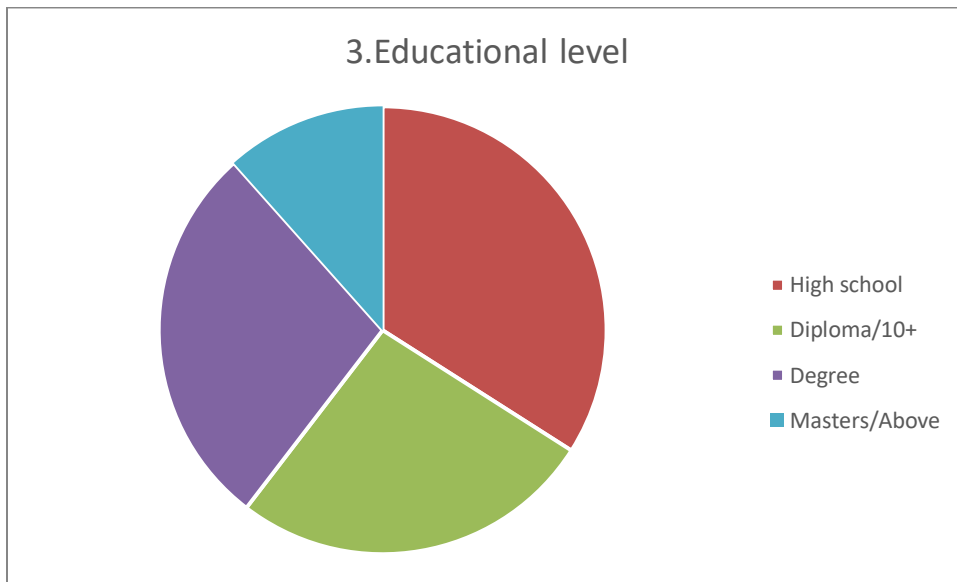
As Figure 4.2 above shows, the study established that majority of the respondents were aged between 30 to 40 years as shown by 36.6 percent, 18 to 29 years as shown by 33.4 percent, 41-50 years as shown by 21.9 percent, 50 years and above shown by 8.1 percent respectively. This implied that all age brackets of the respondents participated in the study are giving divergent views on the study requirements. Generally speaking total of 70.3 percent of the respondents are young age group between 18 to 40 years.

Table 4. 3 Educational Level

Educational Level	Category	Frequency	%
	High School	147	34.0
	Diploma/10+	114	26.4
	Degree	121	28.0
	Master and Above	50	11.6
	Total	87	100.0

Source: Primary data, 2023.

Figure 4. 3 Educational Level



Source: Primary data, 2023.

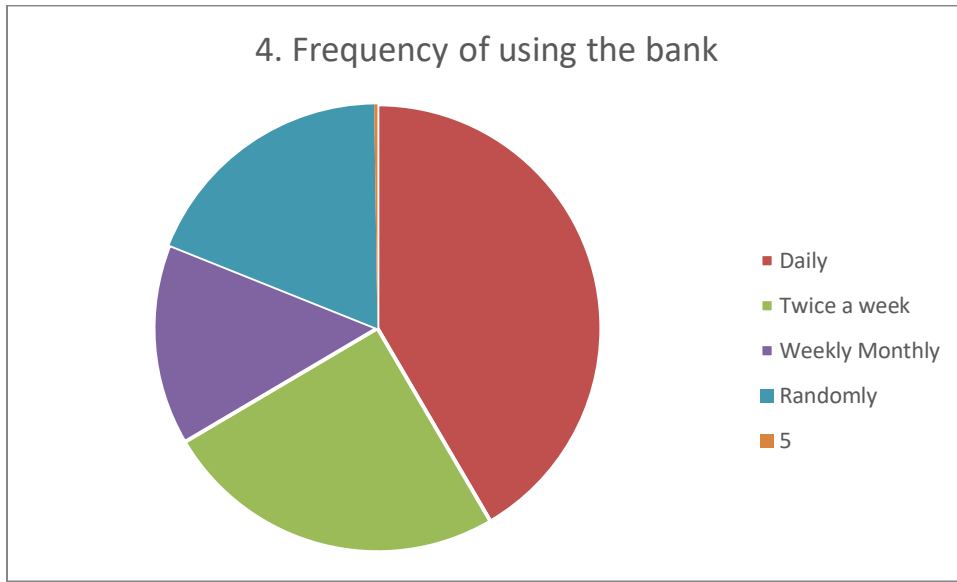
Figure 4.3 above presents the results on the respondents' educational level. According to the results displayed that majority of the respondents have been in High school with a percent of 34%. 26.4 percent of the respondents are Diploma/10+, 28 percent of the respondents are degree holders and the rest 11.6 percent respondents have Masters.

Table 4. 4 Frequency of using the bank

Frequency of using the bank	Category	Frequency	%
	Daily	180	41.6
	Twice a week	108	24.9
	Weekly/monthly	63	14.5
	Random	81	18.7
	Total	87	100.0

Source: Primary data, 2023.

Figure 4. 4 Frequency of using the bank



Source: Primary data, 2023.

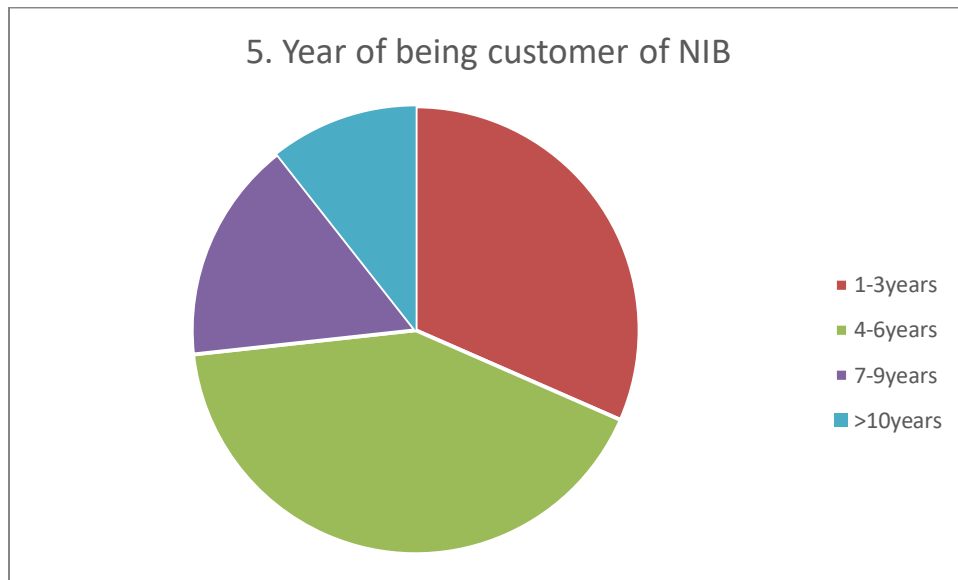
As shown on the above table, respondents were asked how frequently visiting NIB branches for using the service provided. On this question, majority of the respondents said that they are visiting the branch daily as shown by 41.6 percent, whereas, visiting twice a week as shown on the table by 24.9 percent, visiting weekly or monthly as shown by 14.5 percent, visiting randomly as shown by 18.7 percent. This data presents most of the data collected from respondents who are regular visitors showing there is a reliability in the data collected

Table 4. 5 year of being customer

Year of being Customer	Category	Frequency	%
	1-3 years	137	31.6
	4-6 years	181	41.7
	7-9 years	70	16.1
	Above 10 years	45	10.6
	Total	432	100

Source: Primary data, 2023.

Figure 4. 5 Year of being customer



Source: Primary data, 2023.

With regard to time of relationship with the bank much of the customers 31.6 percent of the respondents were loyal to the bank from 1-3 years, around 41.7 percent of the respondents were customers for 4-6 years, 16.1 percent of respondents were between 7-9 years and 10.6 percent of the respondents were more than 10 years.

4.2. Descriptive statistics

In this segment the descriptive data inform us the degree of service quality given by NIB branches measured by ethical standard dimensions. The mean is measure of central tendency which provides broad picture of the data and the result of mean of respondents in each aspect of the metrics suggest that the ethical standards experienced in the bank. In this instance, the total quality of service rendered by the bank was determined by calculating the mean of each item together with its corresponding dimension.

The study sought to assess the quality of service provided by NIB. In these regard respondents were asked to indicate the degree of service quality using a five point likert scale where 5 represents Strongly agreed, 4 represent agree, 3 represent Indifferent, 2 represent disagreed and 1 represent Strongly disagreed.

4.2.1 Ethical Standard Dimensions

In this research service quality dimensions are taken as a key performance indicator of quality service that determines the performance of NIB. In the questionnaire this variable contains four basic quality dimensions related with the service provided by the bank. The four ethical standards are Honesty, Confidentiality, Transparency and Accountability. The response of respondents statistically described under.

4.2.1.1 Honesty

In this research Tangible is taken as one of the basic service quality dimensions indicates that determine the performance of NIB. In the questionnaire this variable contains five basic operational questions related with honesty. The response of respondents statistically described under.

Table 4. 6 Descriptive statistics for honesty

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Honesty [Do you agree that adherence to honesty will improve the overall quality of customer service?]	434	2	5	4.04	.643
Honesty [Do u believe that NIB employees maintain this ethical standard?]	434	2	5	3.68	1.099
Honesty [Do you agree that such ethical standard is noticed by customers easily?]	434	2	5	3.56	.916
Honesty [Do you agree that customer will switch banks due to lack of such ethical standards?]	434	1	5	3.94	.893
Honesty [Do u agree Nib should develop polices to increase the effectiveness of such standards?]	434	1	5	3.90	1.018

Valid N (listwise)	434				
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Source: Primary data, 2023.

Table 4.6 shows that NIB employees has this ethical quality; such qualities was early noticed by the customer. In addition honesty is one of the key factor that a cutomer might switch bank. overall tangibles of quality service dimension of the bank with means of 4.04, 3.68, 3.56, 3.94 & 3.90 and standard deviations of 0.643, 1.009,0.916, 0.893 & 1.1018respectively.

4.2.1.2 Confidentiality

In the research questionnaire confidentiality was included as one of the determinants of the ethical standard dimension. Target group respondents were asked to rate the confidentiality of NIB employees. The overall confidentiality was determined based on the five questions in the questionnaire. The result is described under

Table 4. 7 Descriptive statistics for Confidentiality

Descriptive Statistics					
	N	Minimu m	Maximum	Mean	Std. Deviation
Confidentiality [Do you agree that adherence to Confidentiality will improve the overall quality of customer service?]	434	2	5	4.00	.681
Confidentiality [Do u believe that NIB employees maintain this ethical standard?]	434	1	5	3.74	1.090
Confidentiality [Do you agree that such ethical standard is noticed by customers easily?]	434	2	5	3.66	.923
Confidentiality [Do you agree that customer will	434	1	5	3.92	.899

switch banks due to lack of such ethical standards?]					
Confidentiality [Do u agree Nib should develop polices to increase the effectiveness of such standards?]	434	1	5	3.89	1.009
Valid N (listwise)	434				

Source: Primary data, 2023.

Table 4.7 shows about the reliability variables: When NIB staff maintaiiin the information of their customers safe, NIB employees protect the data of their customers , such ethical standard is also noticed by customers as a result Nib bank should also develop policies to maintain such quality.

4.2.1.3 Transparency

Transparency is one of the factors in ethical standard dimension. The respondents were asked about the this ethical standard with this five basic questions. The result found in the table below.

Table 4. 8 Descriptive statistics for Transparency

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Transparency [Do you agree that adherence to Transparency will improve the overall quality of customer service?]	434	1	5	4.00	.732

Transparency [Do u believe that NIB employees maintain this ethical standard?]	434	1	5	3.69	1.080
Transparency [Do you agree that such ethical standard is noticed by customers easily?]	434	2	5	3.67	.891
Transparency [Do you agree that customer will switch banks due to lack of such ethical standards?]	434	1	5	3.94	.890
Transparency [Do u agree Nib should develop polices to increase the effectiveness of such standards?]	434	1	5	3.90	.955
Valid N (list wise)	434				

Source: Primary data, 2023.

The respondents generally agree that transparency can improve customer service quality. There is also an agreement on whether NIB employees maintain the desired level of transparency. There is a slight disagreement on whether customers easily notice the ethical standard upheld by the employees. There is a moderate agreement that customers might switch banks due to a lack of transparency. There is an agreement with developing policies to increase the effectiveness of transparency standards.

4.2.1.4 Accountability

In the research questionnaire reliability was included as one of the determinants of the service quality dimension. Target group respondents were asked to rate the reliability NIB service. The overall

reliability customer service was determined based on the four questions in the questionnaire. The result is described under

Table 4. 9 Descriptive statistics for Accountability

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Accountability [Do you agree that adherence to Accountability will improve the overall quality of customer service?]	434	2	5	3.96	.715
Accountability [Do u believe that NIB employees maintain this ethical standard?]	434	1	5	3.75	1.062
Accountability [Do you agree that such ethical standard is noticed by customers easily?]	434	1	5	3.68	.932
Accountability [Do you agree that customer will switch banks due to lack of such ethical standards?]	434	1	5	3.93	.864
Accountability [Do u agree Nib should develop polices to increase the effectiveness of such standards?]	434	1	5	3.85	1.053
Valid N (listwise)	434				

Source: Primary Data, 2023.

The respondents generally agree that adherence to accountability can improve customer service quality. There is a less strong agreement on whether NIB employees maintain the desired level of accountability. There is a slight disagreement on whether customers easily notice the ethical standard upheld by the employees. There is a moderate agreement that customers might switch banks due to a lack of accountability. There is a slight agreement with developing policies to increase the effectiveness of accountability standards.

4.2.1.5 Ethical Standards

The overall ethical standard dimensions determined by the response given by customer response based on the four element detail questions as described on the above distributive statistics. According the summary of the ethical standard dimensions result described under.

Table 4. 9 Descriptive statistics for Ethical standards

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
H_MEAN	434	1.50	4.80	3.3244	.81790
C_MEAN	434	1.20	4.80	3.4795	.81076
T_MEAN	434	1.00	5.00	3.0585	.88327
A_MEAN	434	1.50	5.00	3.4571	.82619
Valid (listwise)	N 434				

Table 4.10 shows that the descriptive statistics result indicated that Honesty, Confidentiality, Transparency and Accountability were determine the dimension of ethical standard with means of 3.32, 3.47, 3.05, 3.45 and standard deviations of 0.817, 0.81, 0.88, 0.935 and 0.82 respectively

Generally speaking as we see from the above data most of the respondents agreed NIB service is good when it is measured by ethical standard dimensions.

4.2.2 Customer Service Quality

Respondents were asked their perception about the service quality of NIB. Customer service quality indicator elements are Reliability, Assurance, Responsiveness and Empathy. To identify customers' perception each element contains different questions. The following table shows descriptive statistics result of the respondents.

Table 4. 10 Descriptive statistics for Customer service quality

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
1. I trust the bank with the information I have been given?(Reliability)	434	3	5	4.06	.616
2. I believe the bank can maintain my personal data's safe?(Assurance)	434	2	5	3.70	1.093
3. The bank has been providing me full information when I need?(Responsiveness)	434	2	5	3.62	.915
4. Employees were caring and responsible for the actions they are	434	1	5	3.96	.860

taking?(Empathy)					
5. Overall, I believe ethical standards have an effect on customer service quality?	434	1	5	3.89	1.023
Valid N (listwise)	434				

Source: Primary Data, 2023.

The mean score for all questions falls between 3.62 and 4.06, indicating a generally positive perception from customers towards the bank's service and ethical standards. However, the scores are not exceptionally high, suggesting potential room for improvement.

The standard deviation values range from 0.616 to 1.093, indicating a moderate spread of responses around the mean. This suggests that opinions are not entirely uniform, and there might be diverse perspectives among customers.

Reliability: Customers seem to have a relatively high level of trust in the bank with regards to the information provided (mean = 4.06). Assurance: While still positive, the mean score (3.70) still suggests a belief in the bank's ability to maintain data security. Responsiveness: The mean score (3.62) indicates a somewhat neutral perception regarding the bank's responsiveness to customer needs. Empathy: Customers appear to have a moderately positive perception (mean = 3.96) of the bank's employees being caring and responsible.

Overall Impact of Ethical Standards: The mean score (3.89) suggests that customers somewhat agree with the statement that ethical standards positively affect customer service quality.

4.3 Correlation Analysis

Correlation is the degree of correspondence between variables. Based on this definition, this study employs correlation analysis to investigate the strength of the relationship between the studied variables.

Coefficient of correlation of the variables lies between -1 and +1. Accordingly, -1 means perfect negative correlation, increase from -1 to 0 negative correlation decrease, 0 implies there is no correlation, increase from 0 to +1 positive correlation increase and +1 means perfect positive correlation.

Table 4. 11 correlation analysis

Correlations						
		CSQ_ME AN	H_ME AN	C_ME AN	T_ME AN	A_ME AN
CSQ_ME AN	Pearson Correlation	1	.733**	.746**	.595**	.758**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	434	434	434	434	434
H_MEAN	Pearson Correlation	.733**	1	.689**	.600**	.615**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	434	434	434	434	434
C_MEAN	Pearson Correlation	.746**	.689**	1	.569**	.742**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	434	434	434	434	434
T_MEAN	Pearson Correlation	.595**	.600**	.569**	1	.588**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	434	434	434	434	434
A_MEAN	Pearson Correlation	.758**	.615**	.742**	.588**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	434	434	434	434	434

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

Source: Primary Data, 2023.

All correlation coefficients between CSQ_MEAN (customer service quality) and the independent variables (Honesty, Confidentiality, Transparency, and Accountability) are positive and statistically significant ($p\text{-value} < 0.01$). This indicates a positive linear relationship between these variables.

The strongest correlation is between CSQ_MEAN and Accountability (A_MEAN) ($r = 0.758$). This suggests that perceived higher levels of accountability are associated with the strongest increase in perceived customer service quality. Transparency (T_MEAN) has a moderate positive correlation with CSQ_MEAN ($r = 0.595$), suggesting a weaker but still significant relationship.

Overall, the data suggests that customers perceive a positive relationship between ethical values (honesty, confidentiality, transparency, and accountability) and customer service quality. The correlation coefficients are all positive and strong, indicating that higher scores on the independent variables are associated with higher scores on the customer service quality. In other words, customers who perceive the bank to be more honest, confidential, transparent, and accountable also tend to rate the customer service quality higher. However, there are no statistically significant relationships between the customers' gender, age, educational status, frequency, as well as year of being customer and all dimensions of the quality services at Nib bank.

4.4 Regression analysis

The study further conducted inferential analysis which involved a correlation analysis and a multiple regression analysis. The inferential analysis was intended to establish the relationship between the independent variables and the dependent variable of the study. In this study, the aspects that affect the NIB customer service quality include Honesty, Confidentiality, Transparency and Accountability. The results of the analysis were presented in this section.

The regression model presents how much of the dependent variable is explained by the independent variables.

4.4.1 Model Summary

Table 4. 12 Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.843 ^a	.711	.708	.40750	1.969
a. Predictors: (Constant), A_MEAN, T_MEAN, H_MEAN, C_MEAN					
b. Dependent Variable: CSQ_MEAN					

Source: Primary Data, 2023.

The R_{0.843} have represented a moderately strong positive correlation between the predicted and actual values of customer service quality (CSQ_Mean), with R-squared: 0.711 - This value indicates that 71.1% of the variance in customer service quality can be explained by the independent variables (Honesty, Confidentiality, Transparency, and Accountability) in the model. In addition the Adjusted R-squared (0.708) value adjusts for the number of independent variables, providing a more accurate estimate of the model's explanatory power. It's slightly lower than R-squared, suggesting that the model's explanatory power might be slightly inflated due to its complexity. Furthermore Std. Error of the estimate (0.40750) value have represented the standard deviation of the residuals (difference between predicted and actual values). A lower value indicates a better fit of the model to the data. The Durbin-Watson(1.969) have suggested no significant autocorrelation in the residuals.

The model shows a positive relationship between the ethical values (honesty, confidentiality, transparency, and accountability) and customer service quality. While 71.1% of the variance is explained, there might be other factors influencing customer service quality that are not captured by this model. The adjusted R-squared suggests a reasonable fit for the model's complexity.

4.4.2 ANOVA

Table 4. 13 ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	175.082	4	43.770	263.582	.001 ^b
	Residual	71.240	429	.166		
	Total	246.321	433			
a. Dependent Variable: CSQ_MEAN						
b. Predictors: (Constant), A_MEAN, T_MEAN, H_MEAN, C_MEAN						

Source: Primary Data, 2023.

The model explains 175.082 units of the total variance (246.321 units), which translates to approximately 71.1% based on the R-squared value (not shown in the table, but obtainable from previous analyses). The high F-statistic (263.582) and significant p-value (0.001) indicate that the model with Honesty, Confidentiality, Transparency, and Accountability as independent variables significantly explains the variance in customer service quality compared to just using the mean.

The dependent variable (customer service quality, or CSQ) and the four independent variables (honesty, confidentiality, transparency, and accountability) are found to be statistically significantly correlated, according to the ANOVA table. This indicates that CSQ is significantly impacted by at least one of these factors.

4.4.3 Coefficients for customer service quality

Table 4. 14 Coefficient for customer service quality

Coefficients ^a										
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.845	.095		8.925	.000	.659	1.032		
	H_MEAN	.296	.036	.321	8.340	.000	.226	.366	.454	2.201
	C_MEAN	.206	.040	.222	5.116	.000	.127	.285	.359	2.786
	T_MEAN	.056	.030	.065	1.871	.062	-.003	.114	.557	1.795
	A_MEAN	.327	.037	.358	8.743	.000	.253	.400	.403	2.484

a. Dependent Variable: CSQ_MEAN

Source: Primary Data, 2023.

The table shows the coefficients for a linear regression model, where customer service quality (CSQ_MEAN) is the dependent variable and honesty (H_MEAN), confidentiality (C_MEAN), transparency (T_MEAN), and accountability (A_MEAN) are the independent variables.

A beta coefficient of honesty 0.321 indicates that customer service quality has a positive effect from honesty in this regard. The following is consistent with the emphasis on trust and ethics in

customer service: meaning that the employees in Nib bank maintain this ethical standard which is noticed by this customers. In addition, customer's trust the bank with the information and service they have been given (Reliability).

Confidentiality of 0.222 betas indicates a positive impact of confidentiality on customer service quality to some degree. Confidentiality's moderate positive influence (0.222) further emphasizes the importance of privacy and security associated with customer satisfaction. This is consistent with the provisions of data protection rules and customers' concerns over personal information governance. In addition customers believe that Nib bank employees possess this ethical standard and further policies have to be developed in order to maintain this ethical standard. Furthermore, they believe the bank can maintain my personal data's safe (Assurance).

The estimated beta of transparency 0.065 implies a weak positive relationship between transparency and customer service quality. There were no statistically significant relationships between most criteria of transparency dimension. The correlation between transparency and customer service quality is relatively low, indicating that customers believed despite Nib bank employees have such ethical standards it has less effect on customer service quality.

Moderate positive effect of accountability on customer service quality is indicated by beta value 0.358. Moderate value as the positive impact of the accountability (Beta 0.358) shows, responsibility is necessary for not only dealing with mistakes but also answering customer questions quickly. This supports the process of trust building and professionalism. In addition the customer's believed that this ethical standard may be a cause for customers to switch banks but that policies have to be developed in order to prevent such thing in the future. But overall all . Employees were caring and responsible for the actions they are taking (Empathy).

Confidence intervals: The table includes also 95% confidence intervals for each coefficient. These intervals highlight the area of values through which coefficient might lie, taking into account sampling variability. This means that the interval does not cross zero, indicating with statistical significance at 5% level corresponding effect.

Overall, Honesty, Confidentiality, and Accountability have statistically significant positive relationships with customer service quality. Honesty and Accountability seem to have stronger positive effects compared to Confidentiality and potentially Transparency.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter's major goal is to provide future research directions and an overview of the research by summarizing the key findings from the analysis section. As a result, the chapter began its discussion by providing a concise synopsis of the study's overview and key findings. The researcher highlights some conclusions and recommendations for the target demographics the study is centered on in sections two and three, respectively, based on the study's findings. Finally, the research strengths together with the limitations of the study, future research directions are presented in section three.

5.1 Summary of Findings

This study investigated the effects of four critical ethical dimensions honesty confidentiality transparency and accountability on customer service quality (CSQ) in NIB International Bank. Using quantitative data analysis and integrative qualitative customer feedback, the study showcased important yet subtle interactions between these elements with regard to perceived quality of service. Although all factors except transparency had positive association with quality of customer service, the degree and type of these relationships were different.

Customer Service Quality was found to be a strong but relative factor based upon honesty, underlining the importance of establishing trust through moral relationships. For confidentiality, moderate positive influence was found indicating the need to maintain data protection and ensure safe information management in order increase customer satisfaction. There were no statistically significant relationships between most criteria of transparency dimension indicating that customers believed despite Nib bank employees have such ethical standards it has less effect on customer service quality. Finally, accountability emerged as the strongest driver of customer service quality, which highlights why to assume responsibility and solve problems quickly is so important.

Even with these revelations, the model accounted for 71% of the variance in customer service quality, suggesting the existence of strong interdependence among the dependent and independent variables as the purview of this investigation.

5.2 Conclusion

The purpose of the study was to determine how customer satisfaction at Nib International Bank is impacted by the quality of the customer service provided. Explanatory (causal and relational) research design is used in this study. In this study, a quantitative research methodology was applied. The branches of Geija Sefer, Nib Halal Geija Sefer, and Darmar were chosen to create the sample, and random sampling was used to choose the research subject.

The study's conclusion shows that Nib Bank customers were content with the four aspects of service quality (Honesty, Confidentiality, Transparency and Accountability). The study's conclusion also shows that customers expressed the most satisfaction with the accountability related of the ethical standard. Customers' satisfaction with the transparency, however, was lower. The correlation analysis reveals that the three ethical dimensions—Honesty, Confidentiality and Accountability have a positive and significant relationship with customer satisfaction, in contrast to reliability.

Customer service quality is positively impacted by honesty, establishing trust through moral interactions, although other aspects probably have a bigger influence. As a result customer believed that honesty can increase and have a significant effect on customer service quality, in terms of reliability. Thus, we are able to reject "Hypothesis 1: The quality of customer service is not significantly affected by honesty."

In line with data protection laws and consumer concerns, safe data management and protecting customer privacy somewhat improve customer service quality. In addition customers were meant to believe that it is possessed by the employees and such ethical standard can increase the quality of service given through maintain one of the dimension of customer service quality which is assurance. Thus, we are able to reject "Hypothesis 2: The quality of customer service is not significantly affected by confidentiality."

There were no statistically significant relationships between most criteria of transparency dimension. The correlation between transparency and customer service quality is relatively low, indicating that customers believed despite Nib bank employees have such ethical standards it has less effect on customer service quality. We are therefore unable to reject "Hypothesis 3: Among other things, transparency has a little impact on the quality of customer service."

According to our evidence we can reject "Hypothesis 4: Accountability does not significantly influence customer service quality." The impact of accountability on the state of customer service is quite significant especially employees were caring and responsible for the actions they are taking (Empathy), which resulted a high quality of service given. Taking accountability and instantly acting on customer complaints is a reflection of how to improve CSQ and create trust.

5.3 Recommendations

The study was conducted to examine the effect of ethical standards on customer service quality in Nib Bank. The effects of each ethical standard dimension have been examined and investigated in deeps and the researcher have been drawn some recommendation.

Implement ethics training programs provide employees with the competence to practice honesty, confidentiality, transparency and accountability constantly when dealing with customers. Enhancing communication strategies ensure that all communications are timely, specific and clear so as to prevent information overload but openness.

Since accountability have a significant effect on customer service quality empowering employees for accountability delegate decision-making and encourage prompt actions to ensure effective client complaint management can create a service excellence in Nib bank.

Invest in data security: To gain the trust and confidence of your customers, implement robust data security practices and make privacy policies known.

Gather and analyze customer feedback through regularly analyzing customer feedback in order to identify what improvements should be made and follow up on the results of strategies that have been put into effect. In addition conducting further research so as to examine how other influences may impact customer service quality, by segmenting customer information to identify preference differences and better understand the qualitative dimensions of user experiences.

Investing in feedback channels to set up diverse feedback tools (interviews, social media, surveys) to gain information on the intricacies of customer service and adjust ethical implementation accordingly. Furthermore measuring and tracking progress by setting up KPIs for each dimension (e.g., trust scores and complaint resolution rates), track changes to measure the performance of executed programs.

Benchmark against ethical leaders through identifying well-known names in the sphere with a strong ethic track record; analyze their quality to pinpoint best practices and new approaches. At last Embrace technology by adopting technology to automate certain chores can help free staff members' time for maintaining genuine relationships and striving to provide customers with exceptional experience.

Over all, NIB International Bank can establish a customer service spirit based on integrity, trust, satisfaction and loyalty by giving superior importance for honesty confidentiality transparency and accountability. In order to preserve long-term success, the bank can use employee training, strengthen communication across clients and employees alike alongside promoting accountability as well as constant information gathering from clients. These initiatives will allow the bank to navigate through an ever-evolving customer terrain. Despite the above findings, further research is advised to fully appreciate the advantages of ethical customer service approaches in NIB International Bank internally and externally.

5.4 Model Limitation and Further Research Opportunities:

The purpose of this study was to investigate the ethical standards on the customer service quality of Nib bank. Because there were just three bank branches included in the sample, there may be limitations to the study's ability to extrapolate the results to other private banks. Therefore, in order to generalize the study's findings, future research needs gather a sample of respondents from a greater number of Nib Bank branches as well as private banks.

In addition further research techniques have to be used like qualitative deep dives to carry out in-depth interviews and focus groups to find the emotional and psychological responses that determine customer perceptions of each dimension. Besides comparative analysis should also be conducted to compare NIB's performance to that of other banks in different geographical settings and segments, as this can help identify best practices and potential cultural causes. At last conducting longitudinal studies is an adding point to measure the long-term effects of using ethical customer service strategies on customers' loyalty, retention and overall performance for a bank.

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APPENDIX A: QUESTIONNAIRE

St. Mary's University school of Graduate Studies

MBA Program

(Questionnaire for Customers)

Dear Respondent, I am currently a student of St. Mary's University, and I am doing my MBA thesis. On "THE EFFECT OF ETHICAL STANDARDS ON CUSTOMER SERVICE QUALITY: THE CASE OF NIB INTERNATIONAL BANK". The purpose of this questionnaire is to gather data regarding the effect of the ethical standards towards the customer service quality in the case of Nib International Bank. The study is purely for academic purpose and thus does not affect you in any case. All of your response to the given question would be used for the research and will be kept confidential. Your frank and timely response is vital for the success of the study.

Therefore, I kindly request you to respond to each question carefully.

Thank you in advance for your cooperation and timely response!

Note:

1. No need of writing your name.
2. Where alternative answers are given, encircle your choice and put "√" mark where necessary.
3. Please return the completed questionnaire in time.

Part1. General Information

Direction: Please put a check mark (√) on the appropriate box

1. Gender: Female Male

2. Age: 18-29 30-40 41-50 Above50

3. Educational level: High school

Diploma/10+:

Degree:

Masters /Above:

4. Frequency of using the bank:

Daily Twice week Monthly
Randomly

5. Year of being customer of NIB:

1-3years 4-6 Year 7-9 years >10 years

Part2. Ethical Standards with relation to Customer service quality dimensions.

Please rank your views using 1-5 on whether you agree or not with the following questions.

1=strongly disagree 2=disagree 3=indifferent 4=agree 5=strongly agree

Item	Scale				
	1	2	3	4	5
Honesty					
1. Do you agree that adherence to honesty will improve the overall quality of customer service?					
2. Do u believe that NIB employees maintain this ethical standard?					
3. Do you agree that such ethical standard is noticed by customers easily?					

4. Do you agree that customer will switch banks due to lack of such ethical standards?					
5. Do u agree Nib should develop polices to increase the effectiveness of such standards?					
Confidentiality					
1. Do you agree that adherence to confidentiality will improve the overall quality of customer service?					
2. Do u believe that NIB employees maintain this ethical standard?					
3. Do you agree that such ethical standard is noticed by customers easily?					
4. Do you agree that customer will switch banks due to lack of such ethical standards?					
5. Do u agree Nib should develop polices to increase the effectiveness of such standards?					
Transparency					
1. Do you agree that adherence to transparency will improve the overall quality of customer service?					
2. Do u believe that NIB employees maintain this ethical standard?					
3. Do you agree that such ethical standard is noticed by customers easily?					
4. Do you agree that customer will switch banks due to lack of such ethical standards?					

5. Do u agree Nib should develop polices to increase the effectiveness of such standards?					
Accountability					
1. Do you believe that adherence to accountability will improve the overall quality of customer service?					
2. Do u believe that NIB employees maintain this ethical standard?					
3. Do you agree that such ethical standard is noticed by customers easily?					
4. Do you agree that customer will switch banks due to lack of such ethical standards?					
5. Do u agree Nib should develop polices to increase the effectiveness of such standards?					

Part 3 Customer Service Quality

Please indicate the level of your agreement and disagreement with the following descriptions by making tick mark the appropriate answer based on the following ratings.

1= strongly disagree, 2= disagree, 3= Indifferent 4= agree 5= strongly agree

Customer Service Quality					
1. I trust the bank with the information I have been given?					
2. I believe the bank can maintain my personal data's safe?					
3. The bank has been providing me full information when I need?					

4. Employees were responsible for the actions they are taking?					
5. Overall, I believe ethical standards have an effect on customer service quality?					