

**RELATIONSHIP BETWEEN WORK ETHICS AND EMPLOYEE
ENGAGEMENT AMONG SMALL AND MEDIUM ENTERPRISES IN
MOGADISHU CITY, SOMALIA**


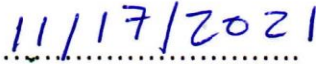
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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
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DECLARATION


This project is my original work and has not been presented for the award of degree in any other University.

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This Research Project has been submitted for presentation with the endorsement of the University supervisor.

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DEDICATION

This work is dedicated to my mother Hawa Abdi Mohamed and my father Abdullahi Ahmed Samatar whose support and encouragement enabled me to accomplish this level of education and milestone. May Allah Swt preserve them and bless them forever.

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ABBERRIATIONS AND ACERONYMS

DRC	Democratic Republic of Congo
MSE	Micro and Small Enterprise
SMEs	Small and Medium Enterprises
HR	Human Resource

ABSTRACT

The SMEs in Mogadishu do encounter employee engagement challenges that affect their overall sustainability. These firms have limited access to resources including finances that may be used to provide an ethical work environment that would foster employee engagement. The ultimate effect of this challenge is reflected in high staff turnover in most of the small and medium enterprises operating in Somalia. Given the significant role that these small and medium enterprises play towards the general economy, it is important that greater attention is paid to enhance employee engagement among these firms. This is an important step towards speedy recovery of Somalia, as one of the emerging economies in the Horn of Africa. The study sought to determine the relationship between work ethics and employee engagement among small and medium enterprises in Mogadishu City, Somalia. A descriptive survey design was adopted targeting 780 employees of the registered small and medium enterprises in Mogadishu Somalia. Stratified random sampling was used to select 264 respondents as the sample size. Primary data was collected with the aid of the questionnaire and the analysis was supported by descriptive statistics (frequencies) and presented through tables. The findings were that personal morality ($\beta=755$, $p<0.05$) had the largest and significant effect on employee engagement among SMEs in Somalia followed by social responsibility ($\beta=.623$, $p<0.05$) and ethical standards ($\beta=.382$, $p<0.05$). The study concludes that work ethics significantly predicts employee engagement in an organization. The study recommends that the human resource managers of the SMEs in Mogadishu City should focus more personal morality, social responsibility and ethical standards in an effort to create an engaged workforce. Employees working in these SMEs should be encouraged to be more socially responsible as they carry out their respective duties. The existing ethical standards among the SMEs in Mogadishu should be regularly reviewed and updated to match the changing environment. Policy makers in Somalia should enforce relevant regulations that promote social responsibility among the SMEs in Somalia.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Employee engagement is an important concept that influences employees in an organization to get harnessed to their respective roles. Employee engagement allows the staff to ensure that they emotionally, cognitively and physically express themselves as they carry out their specific roles (Chumba, 2020). Employee engagement is reflected in the degree where there is commitment on the side of the employees in relation to realization of the work and the strategic goals of the organization (Jepkorir, 2014). Work ethics are key in creating an engaged workforce in an organization. Work ethics create a sense of guidance and direction in an organization resulting into a harmonious and united workforce that enhances the degree of engagement (Runtu, Aldrin&Merdiaty, 2019). Work ethics provide the basis of rules that determine the behavior of the employees which in turn contributes an engaged workforce since there is perceived fairness in administration of justice whenever there are disagreements among staff (Zhang & Chen, 2020).

The social exchange theory and the institutional theory were used to provide anchorage to this study. Advanced by Homans (1958), where social exchange is viewed as the interchange of benefits or activities between two individuals (the organization and the employees). In other words, both staff and the organization mutually depend on each other. Engagement is a measure of how the employees have the ability to put in more efforts in this exchange and in effect when the organization provides a conducive environment including fair remuneration. All these concerns will create an engaged workforce that would contribute to the overall success of the organization. On the other hand, the institutional theory argues that structures including existence of ethical standards in the organization play a role in engagement of the staff. Work ethics exist

well in an organization with established structures which is the key theme in this institutional theory (DiMaggio & Powell, 1991). The institutional theory will therefore be used to underpin the independent variable work ethics while the social exchange theory will anchor the dependent variable employee engagement.

The Small and Medium Enterprises (SMEs) are engines of the growth of the economy as they create employment to millions of people in Somalia (Ahmed, Osman, Abdulle&Musse, 2018). However, given their limited scale of operations, most of the SMEs in Mogadishu City do encounter challenges of having in place clear structures formal rules that would create an ethical climate and enhance engagement of the staff. Limited resource is a key challenge for these SMEs to provide fair reward to the staff for their energy and this creates employee engagement issues (Ahmed, 2020). This disengagement of the staff create a situation where employees do not fully contribute towards the organization while characterized by too much staff turn out ratio and low general productivity. These challenges are not good for a country like Somalia that is leveraging the SME subsector to recover from past civil wars and conflicts (Ahmed *et al.*, 2018).

1.1.1 Work Ethics

Ethics is defined as the prescribed code of conduct that determines how people act and behave in a social setting including in the organizational context (Zhang & Chen, 2020). Work ethics therefore determines a desirable and non-desirable action and behavior of employees in the organization. Several benefits accrue to an organization that embraces work ethic, since it create a sense of direction in different areas that result into a sense of harmony among staff as they carry out their specified duties. Work ethics ensures that staffs in the organization are held

responsible and accountable for their specific tasks that they carry out (Al-Douri, Aldabbagh, Mohammad & Qawasmeh, 2020).

Work ethics inform the level of discipline exhibited by employees in the organization that allow them to carry out their duties in a proper manner. Work ethics provide a sense of moral principles and values that provide guideline as they conduct their daily responsibilities within the firm (Mussner, Strobl, Veider & Matzler, 2017). Work ethics is of greater importance to an organization because the behavior exhibited by employees shape success of the enterprise in general. Unethical behavior of the employees in an organization may result into a deterioration of the image of the firm as it seek to operate in its dynamic environment. This is well illustrated by a case of Enron, a corporation in the United States that became bankrupt due to unethical behavior. Thus, work ethics is the foundation of ethical behavior among employees of the firm. Firms that have invested in development of work ethics allow staff to carry out their duties in an ethical manner (Runtu, Aldrin & Merdiaty, 2019).

Different measures have been adopted in representing work ethics by various authors. Adeyeye, Adeniji, Osinbanjo and Oludayo (2015) used ethical standards and integrity as measures of work place ethics. Moraa (2017) operationalized work ethics into employees' ethical conduct, awareness of ethical conducts and skills on ethical conduct. Mussner *et al.* (2017) provided the measures of work ethic to include self-reliance, time efficiency, centrality of work and attitude towards hard work. This study operationalized work ethic into the code of ethics, ethical standards, social responsibility and personal morality.

1.1.2 Employee Engagement

Employee engagement is the ability of the employees to express themselves emotionally, mentally and physically as they carry out the specific duties (Mangundjaya, 2017). Its opposite is disengagement where employees seem to be withdrawn from carrying out their duties. Engagement is best realized when staff are carrying out their roles and it cover engrossment and mindfulness (Osborne & Hammoud, 2017). Mindfulness is the amount of time and cognitive availability of the staff as he/she ponders on a given role while engrossment is the ability of the staff to be fully immersed in a given task. Engaged staff would contribute towards success of the firm while the employees who are disengaged are completely disconnected to the goals of the organization with feelings of bitterness and disillusion. Engaged staff have a greater feeling of attachment to the firm, they highly value the organization, with a low tendency to leave it and they easily get identified with their roles in the organization (Jepkorir, 2014).

There are different dimensions of measuring employee engagement in the work place. Schaufeli and Bakker (2003) operationalized employee engagement into immersion, devotion and zeal. Rich *et al.* (2010) measured employee engagement into cognitive, emotional and physical dimensions. Chumba (2020) provides the absorption, dedication and vigor as the measures of employee engagement in the organization. Shuck and Wollard (2011) provided psychological conditions that are linked with employee engagement: availability, psychological safety and meaningfulness. From these, it is evident that employee engagement is a multi-dimensional concept that involves the cognitive, emotional and physical attributes of the staff as they carry out their duties. This study will operationalize employee engagement into cognitive engagement, emotional engagement and physical engagement as informed by Kahn (1990).

1.1.3 Small and Medium Enterprises in Mogadishu City, Somalia

The Micro and Small Enterprise (MSE) Act (2012) defines the SME as an enterprise employing 10-100 staff while generating turnover of Kshs. 500,000-5,000,000 in a year. This definition implies that the generated sales revenues and the staff capacity are key indicators when it comes to definition of SME. The SMEs operate in different sectors of the economy and they are generally viewed to be informal.

There are 78 registered SMEs that operate in different sectors of the economy including service and manufacturing sub-sectors. These SMEs are indicated in appendix I. However, the number of these SMEs could be higher in Mogadishu, given that most of them operate in informal sectors without being registered (Ministry of Commerce and Industry of Somalia, 2020). About 80% of the total workforce in Somalia is employed in these SMEs as they contribute about 1.2% of the national income (Abdirahman, 2017). Given their resource limitation, these SMEs do face employee engagement challenges attributed to by poor working conditions and reward systems hence the motivation for the present study. 80176

1.2 Research Problem

Highly engaged staff would put in more efforts and energy as they work to carry out their duties in the organization. Engaged staff are emotionally, cognitively and physically involved in carrying out their roles at their place of work which contribute to the success of the organization. Work ethics create a sense of responsibility among staff even as they seek to remain engaged in their roles in the organization (Ongong'a&Akaranga, 2013). Work ethics allow staff to remain committed in an organization since they feel appreciated and cared for (Wahyudi, Haryono, Riyani&Harsono, 2013). Promoting work ethics in an organization is one way of allowing staff

to act ethically as they carry out their duties. Work ethics enhances the corporate image and brand that allow staff to be more engaged in their duties (Moraa, 2017).

The SMEs in Mogadishu do encounter employee engagement challenges that affect their overall sustainability. These firms have limited access to resources including finances that may be used to provide an ethical work environment that would foster employee engagement. The ultimate effect of this challenge is reflected in high staff turnover in most of the SMEs operating in Somalia (Ahmed, 2020). Given the significant role that these SMEs play towards the general economy, it is important that greater attention is paid to enhance employee engagement among these firms. This is an important step towards speedy recovery of Somalia, as one of the emerging economies in the Horn of Africa.

The studies conducted from a global perspective include Zhang and Chen (2020) who sought to provide the link between work ethic and productive work behavior in China. The study noted that work ethic is positively linked with proactive work behavior of the employees in the organization. The link between work ethics and job performance among SMEs was explored by Nizam, Ruzainy, Sarah and Syafna (2016) in India where a significant link was noted. The study conducted in Malaysia by Al-Douri, Aldabbagh, Mohammad and Qawasmeh (2020) focused on Islamic work ethics and performance of the job with intrinsic motivation as the mediator variable where positive relationship was noted. In Nigeria, Adeyeye, Adeniji, Osinbanjo and Oludayo (2015) focused on workplace ethics and the link with productivity of the organization and the staff.

In Kenya, Moraa (2017) looked at work ethics and staff performance in a beverage manufacturing firms and shared a positive interaction. Jepkorir (2014) sought to provide the link

between employee engagement and performance of staff at the East African Portland Cement. The study noted that provision of the right equipment and materials allow the staff to carry out their duties effectively. Wang'ondu (2019) used a case of MP Shah Hospital in Kenya to establish the link between employee engagement and job satisfaction where significant relationship was noted. Otieno, Linge and Sikalieh (2019) did a study on intellectual stimulation and employee engagement focusing on energy sector in Kenya where significant link was identified. With a focus to Kenyan flower firms, Ngure, Makokha and Orawo (2016) sought to bring out the key issues that are linked with employee engagement where the style of leadership was one of these established factors.

The reviewed studies create gaps; some were carried out using case study methodologies while others were carried out in other countries like China and not in Kenya. Other studies related work ethics with other concepts like employee performance or productivity and not employee engagement. There were other studies that used employee engagement as the independent variable. All these create conceptual, contextual and methodological gaps that the present study seeks to fill. Hence, the study sought to provide answers to the following research question: what is the relationship between work ethics and employee engagement among small and medium enterprises in Mogadishu City, Somalia?

1.3 Research Objective

The study sought to determine the relationship between work ethics and employee engagement among small and medium enterprises in Mogadishu City, Somalia.

1.4 Value of the Study

The study will add to the existing literature on work ethics and employee performance. Future scholars carrying out related studies may be to review literature of this study. The findings of the study may support or disagree with the social exchange theory and the institutional theory. This will be well brought out through interrogations of the findings with the reviewed theories. Additionally, the tools of the inquiry will have been developed basing on the reviewed theories to make it easy during discussions.

The policy makers working in the respective SMEs may be able to formulate relevant policies and recommendations on work ethics that may contribute towards employee engagement. The policy makers in the Ministry of Commerce and Industry of Somalia will be able to formulate sound policies that would spur the growth of these firms with regard to work ethics and employee engagement. In the long run, this will contribute to the overall growth of the economy of Somalia, even as it seeks to recover from long period of civil war.

The management team of the respective SMEs operating in Mogadishu city will be able to come up with relevant policies to strengthen work ethics and employee engagement. Strengthening work ethics may enhance employee engagement among staff of these SMEs. It is this improvement in work engagement that may further enhance the growth of the economy of Somalia. Other firms apart from SMEs may also leverage the findings of this inquiry to develop an engaged work force by enforcing work ethics.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is set out to review past related studies on work ethic and employee engagement. The review of literature revolves around the theories that will be used to guide the study as well as past empirical studies. The gaps from the reviewed literature are pointed out with the conceptual framework indicating the variables and how they are operationalized.

2.2 Theoretical Review

This study was guided by the social exchange theory and the institutional theory. A discussion of each of these theories is as provided in the subsequent sections.

2.2.1 Social Exchange Theory

This theory was advanced by Homans in 1958. Social exchange arises when an activity or a benefit is shared between two individuals. Homans argue that subjective analysis of costs against benefit and a clear comparison of alternatives inform development of human relations. In an organization, employees have a strong reliance to their employer to develop and sustain them while the employer relies on the staff for production that determines overall performance of the organization. This, such relationships are mutual and contingent besides being two-sided (Cook, Cheshire, Rice & Nakagawa, 2013).

Engagement is measured by the level of emotional, psychological and physical energy that staff invests in their daily duties in an organization. In other words, engagement determines the contribution of the employees to the social exchange with employers and it is only when an organization has conducive environment that this relationship will be beneficial and sustainable. The employers have the sole role of creating good conditions that allow the employees to exploit

their potential (Cropanzano, Anthony, Daniels & Hall, 2017). A feeling of satisfaction will be developed among the employees when employees get fair return for the efforts they have put in the job (Gould-Williams & Davies, 2005).

This theory has been criticized because it assumes that individuals in an organization will always act in self-interested manner of maximization of rewards and minimization of costs. However, this premise does not hold in the real world. There are times when employees in an organization may act unselfishly which this theory fail to provide an explanation (Heath& Heath, 1976). Furthermore, the theory largely revolves around issues of reward while ignoring the cultural settings. Despite these limitations, this theory is relevant to the present study that focuses on employee engagement. The theory espouses the best way which an organization can create an engaged work force. The theory implies that employers have the role to create right environment where employees feel part of the team and this will contribute towards employee engagement in an organization.

2.2.2 Institutional Theory

This theory was developed by Meyer and Rowan in late 1970s and it seeks to provide an explanation of the essence of formal rules, regulations and structures in an organization. The theory argues that firms leverage on institutional environment to come up with formal structures. More specifically, this theory considers the processes that support development of structures that include norms, rules and schemas as well as routines to guide behavior in the society (Björkman, Fey & Park, 2007).

The theory provides an inquiry into how formal rules are established in an organization and adapted with time (Lewis, Cardy& Huang, 2019). The further espouses how these established

authorities including formal rules provide guideline on how employees behave in an organization. Code of ethics and standards exist in written rules in an organization and this is where the institutional theory comes in (Holm, 2020). Without written rules that outline the ethical behavior expected from staff, it becomes hard for an organization to embrace work ethics (Heikkilä, 2013).

This theory has been criticized on account that ignores larger structures while paying more focus on smaller structures in an organization. These larger structures involve issues of domination while smaller structure includes issues that can be managed easily in an entity. In spite of these limitations, this theory will be used to anchor the independent variable work ethics and how it contributes towards employee engagement in an organizational context.

2.3 Dimensions of Work Ethics

Code of ethics is a guide containing principles to help employees to carry out activities in an honest and transparent manner. Code of ethics provides an explanation of the expected behavior of the employees in an organization (Mohammad, Quoquab, Idris, Al-Jabari, Hussin&Wishah, 2018). Furthermore, code of ethics provides a guideline on how an organization should handle issues like harassment at the work place and existence of conflict of interest. The code of ethics indicates how the company wishes the employees to carry out their daily duties. Clarity in code of ethics plays a role in avoiding confusion in the expectations of the employees while preventing behavior that is not appropriate. At the same time, the code of ethics helps in promoting an ethical climate in an organization where staff would develop feeling that they are treated in a way that is equal with high level of respect (Runtu, Aldrin&Merdiaty, 2019).

Ethical standards are the principles that are established by the founders of an entity so that the underlying morals and values are communicated to all the staff. Ethical standards act as a reference point when making decisions in an organization (Halvorsen, 2019). The basis of a reputable organization is maintenance of ethical standards. Respect and trust are key issues for an organization that wish to develop ethical standards. All business relationships are guided by the ethical standards and this creates an engaged workforce (De-Clercq, Rahman&Haq, 2019).

Social responsibility strikes a balance between economic prosperity and welfare of the community as well as the environment at large. Social responsibility implies that firms and individuals have an obligation of acting in the best interest of their surroundings as well as the society at large (Hutagalung, Purba, Silalahi&Putri, 2020). For effectiveness, an organization should embrace social responsibility on a voluntary basis as compared to when the government enforces it through regulations. The moral and reputation of the firm may be boosted when there is social responsibility and this may ultimately results into an engaged work force (Meriac& Gorman, 2017).

Personal morality is what each of the individual employees in an organizations hold as being wrong or right (Uygur, Spence, Simpson & Karakas, 2017). In an organizational setting, employees are able to sacrifice their personal morality so that they fit within the existing norms in the company. Personal morality is an individual moral code. Personal morality determines how an employee coexists within the larger team in organization. It results into a responsible employee who is able to be engaged and thus contribute to the overall success of the organization (Mungai, Wairire& Rush, 2014).

2.4 Forms of Employee Engagement

Employees are said to be cognitively engaged when they know knowledge of their mission and their respective roles in an organization. Cognitive engagement is manifested in the ability and willingness of employees to take part in the various activities at hand in an organization (Macey& Schneider, 2008). Cognitive engagement is pegged on the level of efforts that employees are willing to invest in their duties in an organization. This form of engagement is related to the need for staff in an organization to ensure that they have full awareness with an alignment of the strategy of the firm (Albrech, 2011). In order for employees to be cognitively engaged, they need to have an understanding of the strategies and mission of their organization and their performance expectations (Kahn, 1990).

Emotional engagement is related with the extent which staff feels they are connected to an organization with a high level of trust (Anitha, 2014). Being emotionally engaged implies that staff has established meaningful connection with fellow colleagues while experiencing concern and empathy on concerns and feelings of other staff in the organization (Vazirani, 2007). Emotional engagement is informed by the level of emotional interaction that staff have with the employers. A positive emotional relationship will require an organization to invest in learning the best way of fostering a sense of belonging among employees at their place of work, creating trust among staff while encouraging them to support the mission and value of the organization (Kumar&Sia, 2012).

Physical engagement is related to the degree which staffs are able to expend their efforts and energy, both mentally and physically as they carry out their duties in an organization (Markos&Sridevi, 2010). Physical engagement creates a feeling of confidence among employees

even as they carry out their duties (Kahn, 1990). This form of engagement allows employees to channel their emotions and feelings into their work in an organization. Physically engaged staffs strive to ensure that they fully devote their physical and emotional energy and strength into their activities in an organization (Kahn, 2010).

2.5 Work Ethics and Employee Engagement

A study conducted in Iran by Jahangiri, Heidarian and Iman (2018) focused on work ethics and its crucial factors. Specifically, the study focused on economic, social and cultural factors linked with work ethics in an organization. The study was conducted among nurses that were carrying out their duties in both private and public health care centers in Iran. The inquiry noted that on economic, social and cultural factors has a direct link with work ethics. This study creates contextual gap since it was conducted in Iran and not in Kenya. The study done in Jordan by Bataineh (2020) focused on work ethics and performance of the job. This was a survey inquiry that focused on 257 staff of the SMEs and the inquiry relied on regression analysis. Relying on data gathered from first hand sources, it was shown that work ethics improves performance of the employees on their jobs. The inquiry covered different elements of work ethics including self-discipline, equality, responsibility and integrity and all of them were seen to improve performance of the employees on their jobs. However, this study creates conceptual gap since it related work ethics and employee performance and not employee engagement.

Hayat, Shakeel and Chen (2021) conducted an inquiry in Pakistan linking work ethics and the success of the project. The study was conducted in Pakistan, with gathering of the information being supported by survey. The response rate registered by the inquiry was 96.4% and a direct and significant link was noted between work ethics and success of the projects. The conclusion

registered by the inquiry was the work ethics is critical for success of the project. Yusof, Yusof and Abbas (2017) did a study on Islamic work ethics and its link with satisfaction with the job. The study was conducted in the context of a learning institution. A total of 27 teachers were targeted as the respondents of the inquiry. It was shown that implementing Islamic work ethics had significant influence on satisfaction of the employees with their jobs in an organization. This study creates conceptual gap, as it looked at employee job satisfaction as the dependent variable and not employee engagement. Mitonga-Monga, Flotmanb and Cilliers (2016) carried out a study on work place ethical culture and its link with work engagement. The study covered railway transport entities operating in Democratic Republic of Congo (DRC). In total, 839 respondents were sampled and included in the inquiry. It was shown that workplace ethics has a direct and significant link with work engagement in an entity. This study creates contextual gap as it was conducted in Democratic Republic of Congo and not in Somalia.

Nyambegera and Wainaina (2020) focused on work ethics and the level of productivity and fiscal sustainability as far as the wage bill in the public sector context in Kenya is concerned. The utilitarianism theories of work ethics provided anchorage to this inquiry. The adopted design was cross sectional survey. The study noted that poor formulated and ineffective policies made it hard to implement clear work ethics in the public sector in Kenya. The end results of this include low level of productivity, high rates of turnover of the staff and growing levels of corruption when it comes to use of funds. This study was conducted among public institutions in Kenya; the present study will be done among SMEs in Somalia. Ombiro (2016) conducted an inquiry into work ethics and its link with quality of service delivery among institutions of higher learning operating in Nakuru County. The measures of work ethics that the study adopted include competency, commitment, accountability and integrity. Both academic staff and students were

targeted and administered with the study tools as the participants in the inquiry. The inquiry showed that work ethics strongly influences service delivery among institutions of higher learning. In this study, the service delivery was the dependent variable and not employee engagement and this creates conceptual gap.

2.6 Conceptual Framework

Figure 2.1 is the conceptual framework of the study showing the variables and the indicators.

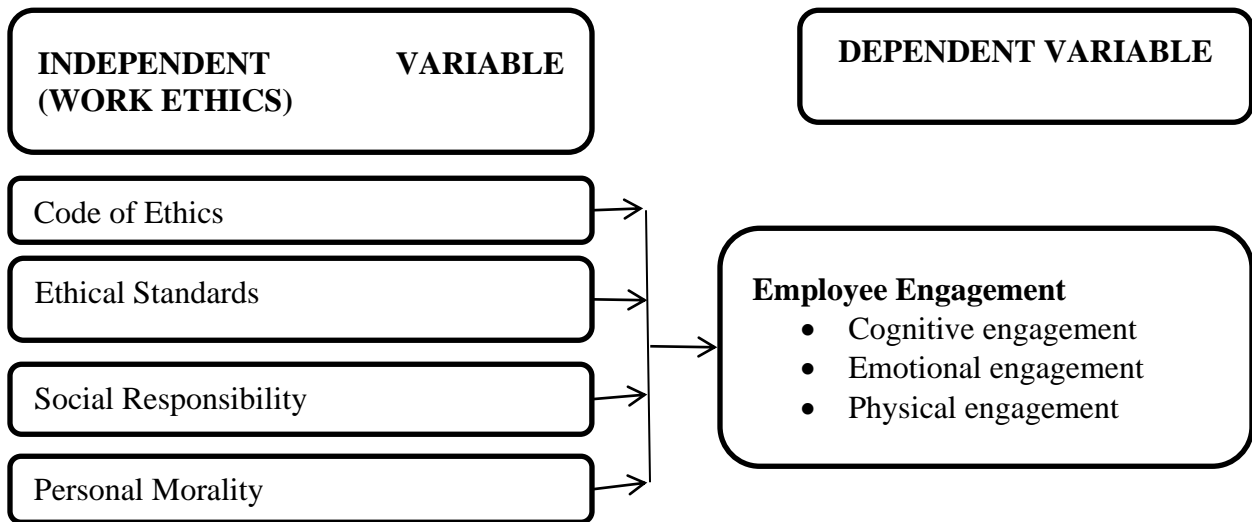


Figure 2.1: Conceptual Framework

Figure 2.1 is the conceptual framework of the study. The independent variable is work ethics and it has been operationalized into code of ethics, ethical standards, social responsibility and personal; morality. Employee engagement is the dependent variable, with cognitive, emotional and physical engagement as its indicators.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter details the research methodologies covering the design, targeted respondents and methods for gathering the views of the participants. The methods to be used in processing the collected views of the respondents are also detailed.

3.2 Research Design

Research design is a structure that determines how the study is conducted in terms of data collection and analysis (Yin, 2017). This study adopted a descriptive survey design. Orodho(2003) shared that the main concern of a descriptive survey design is to ensure that a questionnaire or interviews have been administered to some sampled respondents. This design is important when the inquiry seeks to gather information concerning the attitudes and habits in response to some specified research questions. A descriptive survey design allowed the researcher to obtain relevant information from SMEs operating in Somalia with regard to their work ethics practices and the level of engagement among employees.

3.3 Study Population

Population refers to a group of items, individual or things that share common attributes which are interest to the researcher. The study targeted 780 employees of the registered SMEs in Mogadishu Somalia. These employees are classified into senior managers, middle managers and lower level employees as shown in Table 3.1.

Table 3.1: Study Population

Category of employment	Population
Senior managers	156
Middle managers	234
Lower level employees	390
Total	780

3.4 Sample Design

The sample size of the study was scientifically determined using the following formulae by Yamane (1967),

$$n = N / (1 + Ne^2)$$

n = is the desired sample size

N = is the target population

e = is the acceptable margin of error estimated at 0.05 (at 95% confidence interval)

Therefore, sample size (n) = $780 \div (1 + 780 (0.0025))$

$$= 780 \div (1 + 1.95)$$

$$= 780 \div 2.95$$

$$n = 264 \text{ respondents}$$

Therefore, the sample size of the study were 264 respondents

Stratified random sampling technique was adopted during selection of the respondents as demonstrated in Table 3.2.

Table 3.2: Sampling Procedure

Category of employment	Population	Sample proportion	Sample size
Senior managers	156	156/780*100%=20.0%	20.0%*264=53
Middle managers	234	234/780*100%=30.0%	30.0%*264=79
Lower level employees	390	390/780*100%=50.0%	50.0%*264=132
Total	780		264

3.4 Data Collection

Primary data was collected with aid of the questionnaire. The study chose on primary data because it was the first hand source of information for the inquiry. Questionnaire had close ended questions to ease the process of coding and analysis. It was divided into three sections covering general information, work ethics and employee engagement. Five point Likert scale where 1=strongly disagree and 5=strongly agree was used in designing the items on the questionnaire. Questionnaire was self-administered to the respondents, to give the researcher an ample time to respond to concerns by the respondents while improving the response rate.

3.5 Data Analysis

Once data had been gathered from the field, it was cleaned through excel then exported to SPSS tool. Frequencies and percentages were utilized to summarize the data. In order to draw relevant inferences on the interplay between work ethics and employee engagement, both correlation and regression analysis were adopted. The model for regression analysis is as specified below:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e$$

Where Y is employee engagement

X_1 = code of ethics

X_2 = ethical standards

- X_3 = social responsibility
- X_4 = personal morality
- e = error term for the models

The results were presented in tables.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION

4.1 Introduction

The focus of this chapter is on presentation of the findings of analysis. The contents of the chapter include the response rate, descriptive statistics on the variables as well as the inferential statistics covering correlation and regression analysis.

4.2 Response Rate

From the 264 questionnaires that were administered to respondents, 193 of them were completely filled and returned. This was equal to a response rate of 73.1%. This response rate was in line with Babbie (2010) who shared that an above 70% response rate is adequate for analysis of the evidence in an inquiry.

4.3 Descriptive Statistics on Variables of the Study

This section presents the findings of the descriptive statistics covering means and standard deviations on the variables of the study.

4.3.1 Code of Ethics

Table 4.1 is a summary of the descriptive statistics on code of ethics.

Table 4.1: Code of Ethics

Code of Ethics	Mean	Std. Dev
Code of ethics guide handling of issues like harassment	3.52	.963
Code of ethics provides a guideline on conflict of interest	3.60	.968
The code of ethics promotes an ethical climate in the organization	3.74	.725
There is clarity in code of ethics	3.73	.816
Average	3.65	.868

Source: Field Data (2021)

Table 4.1 shows that the respondents agreed ($M=3.52$, $SD=.963$) that code of ethics guided handling of issues like harassment. At the same time, respondents agreed ($M=3.60$, $SD=.968$) that code of ethics provided a guideline on conflict of interest while others agreed ($M=3.74$,

SD=.725) that it promoted an ethical climate in the organization. The results were that respondents agreed (M=3.73, SD=.816) that there was clarity in code of ethics. This means that there existed clear code of ethics in the studied SMEs and its essence revolved around guiding ethical behavior. On overall (M=3.65, SD=.868), code of ethics were in place in the studied firms.

4.3.2 Ethical Standards

Table 4.2 gives summary of the descriptive statistics on ethical standards.

Table 4.2: Ethical Standards

Ethical Standards	Mean	Std. Dev
Ethical standards communicate the values to all the staff	3.61	.789
Ethical standards act as a reference point when making decisions	3.84	.583
Respect inform ethical standards	3.50	.764
All employee relationships are guided by ethical standards	3.67	.743
Average	3.66	.720

Source: Field Data (2021)

The results in Table 4.2 show that respondents agreed (M=3.61, SD=.789) that ethical standards communicated the values to all the staff. This implies that employees of the studied firms had an understanding of the values they were expected to abide by as they carry out their daily duties. The results were that respondents agreed (M=3.84, SD=.583) that ethical standards acted as a reference point when making decisions. This means that the existing ethical standards guided the decision making processes among the studied firms. The study established that the participants agreed (M=3.50, SD=.764) that respect informed the ethical standards. This means that employees in the studied firms were expected to respect each other as they carry out their duties. From the results, respondents agreed (M=3.67, SD=.743) that employee relationships were guided by ethical standards. This implies that the existing ethical standards guided and determined how employees related with each other in their daily activities. The overall

implication of results in Table 4.2 is that ethical standards were in place in the studied firms (M=3.66, SD=.720).

4.3.2 Social Responsibility

The findings of descriptive statistics on social responsibility were determined and summarized as indicated in Table 4.3.

Table 4.3: Social Responsibility

Social Responsibility	Mean	Std. Dev
All employees have an obligation of acting in the best interest of their surroundings	3.70	.692
Employees are encouraged to be environmentally conscious	3.89	.543
Social responsibility boosts reputation of the firm	3.82	.747
Social responsibility fosters welfare of the community	3.76	.798
Average	3.79	.695

Source: Field Data (2021)

Table 4.3 indicates that respondents agreed (M=3.70, SD=.692) that all employees had an obligation of acting in the best interest of their surroundings. This means that values of taking care of the environment were cultivated among employees which is an important factor as far as sustainability of the corporation is concerned. The results were that respondents agreed (M=3.89, SD=.543) that employees were encouraged to be environmentally conscious. This then implies that the organizations recognized the need to take care of the environment that is a key source of the raw materials to be utilized in the production or operational processes. The study noted that respondents said that (M=3.82, SD=.747) social responsibility boosted reputation of the firm. This means highly reputable firms are characterized by a degree of social responsibility among the employees. It was shown that respondents agreed (M=3.76, SD=.798) that responsibility fostered welfare of the community. This means that social responsibility promoted prosperity

and continuity at the community level. On overall (M=3.79, SD=.695), respondents agreed that social responsibility was practiced in their organizations.

4.3.3 Personal Morality

Table 4.4 gives a breakdown of the findings of descriptive statistics on personal morality as a variable of the study.

Table 4.4: Personal Morality

Personal Morality	Mean	Std. Dev
Employees sacrifice their personal morality to fit within the existing norms	3.73	.682
Personal morality determines how employee coexists within the larger team	3.68	.978
Personal morality results into responsible employees	3.56	.761
Personal morality is an individual moral code	3.76	.718
Average	3.68	.785

Source: Field Data (2021)

The findings in Table 4.4 indicate that respondents agreed (M=3.73, SD=.682) that employees sacrificed their personal morality to fit within the existing norms. This means that the existing norms outweighed the personal morality of employees in the studied organization. The study noted that respondents agreed (M=3.68, SD=.978) that personal morality determined how employee coexisted within the larger team, others said that personal morality resulted into responsible employees (M=3.56, SD=.761) and that personal morality was an individual moral code (M=3.76, SD=.718). This means that personal morality informed coexistence of employees in the organization creating a responsible working force. The overall implication of results in Table 4.4 is that personal morality was in place in the studied firms (M=3.68, SD=.785).

4.3.4 Cognitive Employee Engagement

The dependent variable of the study was employee engagement and it covered the cognitive, emotional and physical dimensions. Table 4.5 gives a summary of the descriptive statistics on cognitive employee engagement.

Table 4.5: Cognitive Employee Engagement

Cognitive Employee Engagement	Mean	Std. Dev
I am knowledgeable of the mission of this organization	3.87	.720
I understand the strategies of this organization	3.63	.849
I am aware of my respective roles	3.99	.590
I am willing to take part in the activities	3.67	.701
Average	3.79	.715

Source: Field Data (2021)

The results in Table 4.5 indicate that respondents agreed ($M=3.87$, $SD=.720$) that they were knowledgeable of the mission of this organization. This means that employees were aware of the mission of their organization and probably they worked towards attaining it. The results were that respondents agreed ($M=3.63$, $SD=.849$) that they understood the strategies of their organization. This implies that the top leadership of the studied firms had shared the strategic goals with employees. The results showed that of the respondents were aware of their respective roles ($M=3.99$, $SD=.590$). This means that the roles of each employee were clearly specified and employees probably enjoyed working on these roles. The study established that respondents agreed ($M=3.67$, $SD=.701$) that they were willing to take part in the activities. This means that employees were committed to ensuring the daily activities have been undertaken. On overall ($M=3.79$, $SD=.715$), there was cognitive employee engagement in the studied firms.

4.3.5 Emotional Engagement

Table 4.6 gives an overview of the descriptive statistics on emotional engagement as an aspect of employee engagement.

Table 4.6: Emotional Engagement

Emotional Engagement	Mean	Std. Dev
I trust this organization	3.49	.764
I am fully connected to this organization	3.53	.763
I am concerned with feelings of other staff	3.67	.790
Average	3.56	.773

Source: Field Data (2021)

The results in Table 4.6 indicate that the respondents moderately agreed ($M=3.49$, $SD=.764$) that they trusted their organization. This means that there existed some degree of trust between employees as they went about their daily activities. The results were that respondents agreed ($M=3.53$, $SD=.763$) that they were fully connected to their organization. This means that the studied firms provided a conducive working environment that made all the employees to feel part of their firm. The study established that respondents were concerned with feelings of other staff ($M=3.67$, $SD=.790$). This means that the staff in the studied firms cared and appreciated each other. On overall ($M=3.56$, $SD=.773$), there was emotional engagement in the studied firms.

4.3.6 Physical Engagement

Table 4.7 is a summary of the descriptive statistics on physical engagement among employees.

Table 4.7: Physical Engagement

Physical Engagement	Mean	Std. Dev
I put all my energy to efforts	3.66	.915
I channel all my emotions into work	3.71	.893
I channel all my feelings into work	3.63	.710
I fully devote my physical energy when carrying duties	3.72	.639
I fully devote my emotional energy when carrying duties	3.89	.471
Average	3.72	.726

Source: Field Data (2021)

From Table 4.7, it was noted that respondents agreed ($M=3.66$, $SD=.915$) that they put all their energy to efforts. This means that the employees tried all their best to meet the goals of their

organizations. The study established that the respondents agreed ($M=3.71$, $SD=.893$) that they channeled all their emotions into work. This implies that the employees in the studied organizations were emotionally present when carrying out their respective duties. It was observed that respondents channeled all their feelings into work ($M=3.63$, $SD=.710$). This means that the employees in the studied firms felt their efforts and inputs as they carried out their duties. The study showed that respondents fully devoted their physical energy when carrying duties ($M=3.72$, $SD=.639$). This means that the employees in the studied firms utilized all their energy in carrying out their duties. The study established that respondents agreed ($M=3.89$, $SD=.471$) that they fully devoted their emotional energy when carrying duties. This finding reinforces the earlier one that respondents were emotionally present when conducting their duties in the respective firms. The implication of the results in Table 4.7 is that there was physical employee engagement in the studied firms ($M=3.72$, $SD=.726$).

4.4 Inferential Statistics

This section is set out to provide a summary of correlation and regression results.

4.4.1 Correlation Matrix

Table 4.8 gives the findings of correlation analysis.

Table 4.8: Correlation Matrix

		Employee Engagement	Code of Ethics	Ethical Standards	Social Responsibility	Personal Morality
Employee Engagement	Pearson Correlation Sig. (2-tailed) N	1 193				
Code of Ethics	Pearson Correlation Sig. (2-tailed) N	.065 .368 193	1 193			
Ethical Standards	Pearson Correlation Sig. (2-tailed) N	.211 .003 193	.015 .840 193	1 193		
Social Responsibility	Pearson Correlation Sig. (2-tailed) N	.367 .000 193	.098 .175 193	-.156 .031 193	1 193	
Personal Morality	Pearson Correlation Sig. (2-tailed) N	.625 .000 193	.068 .347 193	.182 .011 193	.124 .086 193	1 193

Source: Field Data (2021)

Table 4.8 shows that while personal; morality ($r=.625$) has a strong and positive relationship with employee engagement, social responsibility ($r=.367$) and ethical standards ($r=.211$) have a moderate relationship while code of ethics ($r=.065$) has a weak but positive relationship with employee engagement. In a nut shell, it can be summarized that work ethics has a positive relationship with employee engagement in an organization.

4.4.2 Regression Results

Regression analysis was used to predict the effect of work ethics on employee engagement.

Table 4.9 gives the findings of the model summary.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.707 ^a	.499	.489	2.50993

a. Predictors: (Constant), Personal Morality, Code of Ethics, Social Responsibility, Ethical Standards

Source: Field Data (2021)

From Table 4.9, the value of the coefficient of determination R square is given as .499, this means that 49.9% variation in employee engagement among SMEs in Somalia is explained by work ethics. This implies that aside from work ethics, there are still other factors that have an implication on employee engagement which should be the focus of further studies. Table 4.10 gives the findings of the ANOVA.

Table 4.10: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	1181.838	4	295.460	46.900	.000 ^b
Residual	1184.348	188	6.300		
Total	2366.187	192			

a. Dependent Variable: Employee Engagement

b. Predictors: (Constant), Personal Morality, Code of Ethics, Social Responsibility, Ethical Standards

Source: Field Data (2021)

Table 4.10 gives the value of F as 46.900 with $p < 0.05$. This implies that the overall regression model used in the study was significant. The beta coefficients and significance were determined and summed up as shown in Table 4.11.

Table 4.11: Coefficients and Significance

	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	14.105	2.961		4.764	.000
Code of Ethics	.013	.101	.007	.131	.896
Ethical Standards	.382	.127	.161	3.015	.003
Social Responsibility	.623	.102	.324	6.100	.000
Personal Morality	.755	.101	.556	7.475	.000

a. Dependent Variable: Employee Engagement

Source: Field Data (2021)

The predicted model from Table 4.11 becomes:

$$Y = 14.105 + .013X_1 + .382X_2 + .623X_3 + .755X_4$$

Where Y is employee engagement

X_1	=	code of ethics
X_2	=	ethical standards
X_3	=	social responsibility
X_4	=	personal morality

Table 4.11 shows that personal morality ($\beta=755$, $p<0.05$) had the largest and significant effect on employee engagement among SMEs in Somalia followed by social responsibility ($\beta=.623$, $p<0.05$) and ethical standards ($\beta=.382$, $p<0.05$). However, code of ethics ($\beta=.013$, $p>0.050$) had the least and insignificant effect on employee engagement. The implication of these findings is that work ethics is an important driver of employee engagement in an organization.

4.5 Discussion of Results

Respondents agreed ($M=3.52$) that code of ethics guided handling of issues like harassment. This means that ethics helped the studied organizations to ensure there was no harassment at the work. This finding is consistent with Runtuet *al.* (2019) who observed that code of ethics provides a guideline on how an organization should handle issues like harassment at the work place and existence of conflict of interest. Respondents agreed ($M=3.60$) that code of ethics provided a guideline on conflict of interest while others agreed ($M=3.74$) that it promoted an ethical climate in the organization. These findings are echoed by Runtuet *al.* (2019) who shared that the code of ethics help in promoting an ethical climate in an organization where staff would develop feeling that they are treated in a way that is equal with high level of respect. The results were that respondents agreed ($M=3.73$) that there was clarity in code of ethics. This means that there existed clear code of ethics in the studied SMEs and its essence revolved around guiding ethical behavior. This finding agrees with Runtuet *al.* (2019) who noted that clarity in code of ethics

plays a role in avoiding confusion in the expectations of the employees while preventing behavior that is not appropriate.

The show that respondents agreed (M=3.61) that ethical standards communicated the values to all the staff. This implies that employees of the studied firms had an understanding of the values they were expected to abide by as they carry out their daily duties. This finding is supported by Halvorsen (2019) who established that ethical standards are the principles that are established by the founders of an entity so that the underlying morals and values are communicated to all the staff. The results were that respondents agreed (M=3.84) that ethical standards acted as a reference point when making decisions. This means that the existing ethical standards guided the decision making processes among the studied firms. In other words, there are some decisions that were made in close consideration of the existing ethical standards. The finding is supported by Halvorsen (2019) who observed that ethical standards act as a reference point when making decisions in an organization.

The study established that the participants agreed (M=3.50) that respect informed the ethical standards. This means that employees in the studied firms were expected to respect each other as they carry out their duties. The finding is strongly supported by De-Clercquet *al.* (2019) who said that respect and trust are key issues for an organization that wish to develop ethical standards. From the results, respondents agreed (M=3.67) that employee relationships were guided by ethical standards. This implies that the existing ethical standards guided and determined how employees related with each other in their daily activities. This finding is supported by De-Clercquet *al.* (2019) who noted that business relationships are guided by the ethical standards and this creates an engaged workforce.

Respondents agreed (M=3.70) that all employees had an obligation of acting in the best interest of their surroundings. This means that values of taking care of the environment were cultivated among employees which is an important factor as far as sustainability of the corporation is concerned. This finding is supported by Hutagalung *et al.* (2020) who said that social responsibility implies that firms and individuals have an obligation of acting in the best interest of their surroundings as well as the society at large. The results were that respondents agreed (M=3.89) that employees were encouraged to be environmentally conscious. This then implies that the organizations recognized the need to take care of the environment that is a key source of the raw materials to be utilized in the production or operational processes.

The study noted that respondents said that (M=3.82) social responsibility boosted reputation of the firm. This means highly reputable firms are characterized by a degree of social responsibility among the employees. This finding is consistent Meriac and Gorman (2017) who noted that the moral and reputation of the firm may be boosted when there is social responsibility and this may ultimately results into an engaged work force. It was shown that respondents agreed (M=3.76) that responsibility fostered welfare of the community. This means that social responsibility promoted prosperity and continuity at the community level.

The findings indicate that respondents agreed (M=3.73) that employees sacrificed their personal morality to fit within the existing norms. This means that the existing norms outweighed the personal morality of employees in the studied organization. This finding is supported by Uygur *et al.* (2017) who indicated that in an organizational setting, employees are able to sacrifice their personal morality so that they fit within the existing norms in the company. The study noted that the respondents agreed (M=3.68) that personal morality determined how employee coexisted within the larger team, (M=3.56) said that personal morality resulted into responsible employees

while others (M=3.76) said that personal morality was an individual moral code. This means that personal morality informed coexistence of employees in the organization creating a responsible working force. These findings are echoed by Mungai et al (2014) who said that personal morality determines how an employee coexists within the larger team in organization and that it results into a responsible employee who is able to be engaged and thus contribute to the overall success of the organization.

The results indicate that respondents agreed (M=3.87) that they were knowledgeable of the mission of this organization. This means that employees were aware of the mission of their organization and probably they worked towards attaining it. This finding is in strong agreement with Macey and Schneider (2008) who said that employees are said to be cognitively engaged when they know knowledge of their mission and their respective roles in an organization. The results were that respondents agreed (M=3.63) that they understood the strategies of their organization. This implies that the top leadership of the studied firms had shared the strategic goals with employees. This finding is supported by Albrech (2011) who observed that cognitive engagement is related to the need for staff in an organization to ensure that they have full awareness with an alignment of the strategy of the firm. Similarly, Kahn (1990) observed that in order for employees to be cognitively engaged, they need to have an understanding of the strategies and mission of their organization and their performance expectations.

The results showed that respondents were aware of their respective roles (M=3.99). This means that the roles of each employee were clearly specified and employees probably enjoyed working on these roles. The study established that respondents agreed (M=3.79) that they were willing to take part in the activities. This means that employees were committed to ensuring the daily activities have been undertaken. These findings are supported by Albrech (2011) who said that

cognitive engagement is pegged on the level of efforts that employees are willing to invest in their duties in an organization.

The results indicate respondents moderately agreed ($M=3.49$) that they trusted their organization. This means that there existed some degree of trust between employees as they went about their daily activities. This finding is consistent with Anitha (2014) who indicated that emotional engagement is related with the extent which staff feels they are connected to an organization with a high level of trust. The results were that respondents agreed ($M=3.53$) that they were fully connected to their organization. This means that the studied firms provided a conducive working environment that made all the employees to feel part of their firm. The finding is supported by Vazirani (2007) who argued that being emotionally engaged implies that staff has established meaningful connection with fellow colleagues in the organization. The study established that the respondents were concerned with feelings of other staff ($M=3.67$). This means that the staff in the studied firms cared and appreciated each other. This finding is supported by Vazirani (2007) who observed that being emotionally engaged implies that staff experience concern and empathy on concerns and feelings of other staff in the organization.

It was noted that respondents agreed ($M=3.66$) that they put all their energy to efforts. This means that the employees tried all their best to meet the goals of their organizations. This finding is supported by Kahn (2010) who indicated that physically engaged staffs strive to ensure that they fully devote their physical and emotional energy and strength into their activities in an organization. The study established that respondents agreed ($M=3.71$) that they channeled all their emotions into work. This implies that the employees in the studied organizations were emotionally present when carrying out their respective duties. It was observed that respondents channeled all their feelings into work ($M=3.63$). This means that the employees in the studied

firms felt their efforts and inputs as they carried out their duties. These findings are supported by Kahn (2010) who noted that physical engagement allows employees to channel their emotions and feelings into their work in an organization.

The study showed that respondents fully devoted their physical energy when carrying duties. This means that the employees in the studied firms utilized all their energy in carrying out their duties ($M=3.72$). The study established that the respondents agreed ($M=3.89$) that they fully devoted their emotional energy when carrying duties. This finding reinforces the earlier one that respondents were emotionally present when conducting their duties in the respective firms. These findings are supported by Kahn (2010) who indicated that physically engaged staffs strive to ensure that they fully devote their physical and emotional energy and strength into their activities in an organization

Correlation results show that while personal; morality ($r=.625$) has a strong and positive relationship with employee engagement, social responsibility ($r=.367$) and ethical standards ($r=.211$) have a moderate relationship while code of ethics ($r=.065$) has a weak but positive relationship with employee engagement. In a nut shell, it can be summarized that work ethics has a positive relationship with employee engagement in an organization. These findings are supported by Bataineh (2020) who revealed that work ethics improves performance of the employees on their jobs.

From regression analysis, that personal morality ($\beta=.755$, $p<0.05$) had the largest and significant effect on employee engagement among SMEs in Somalia followed by social responsibility ($\beta=.623$, $p<0.05$) and ethical standards ($\beta=.382$, $p<0.05$). However, code of ethics ($\beta=.013$, $p>0.050$) had the least and insignificant effect on employee engagement. The implication of these

findings is that work ethics is an important driver of employee engagement in an organization. This is in line with Yusof *et al* (2017) who revealed that implementing Islamic work ethics had significant influence on satisfaction of the employees with their jobs in an organization. Mitonga-Monga *et al* (2016) also observed that workplace ethics has a direct and significant link with work engagement in an entity.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

A recap of the analyzed findings is presented in this chapter. The conclusion and recommendations arising from the analysis are also pointed out. The limitations of the study as well as areas that need further studies are also pointed out. The key findings detailed from analysis are the one that inform all these areas in addition to the objective and variables of the study.

5.2 Summary of the Findings

This study was set out to establish the relationship between work ethics and employee engagement among small and medium enterprises in Mogadishu City, Somalia. Four measures of work ethics covered in this study were the code of ethics, ethical standards, social responsibility and personal morality. From descriptive statistics, on code of ethics, majority of the respondents agreed that it promoted an ethical climate in the organization. With regard to ethical standards, most of the respondents agreed that they acted as a reference point when making decisions. In view of social responsibility, a vast majority of the respondents agreed that employees were encouraged to be environmentally conscious. Regarding personal morality, most of the respondents agreed that employees sacrificed their personal morality to fit within the existing norms.

Correlation analysis was adopted to test the relationship between work ethics and employee engagement. The results were that while personal; morality had a strong and positive relationship with employee engagement, social responsibility and ethical standards had a moderate

relationship while code of ethics had a weak but positive relationship with employee engagement. The inference drawn from this finding was that work ethics has a direct relationship with employee engagement in an organization.

In order to make prediction of how work ethics affected employee engagement, regression analysis was adopted. The findings showed that close to half of the variation in employee engagement is accounted by work ethics in an organization. In particular, the study showed that personal morality had the largest and significant effect on employee engagement among SMEs in Somalia followed by social responsibility and ethical standards. However, code of ethics had the least but insignificant effect on employee engagement. This means that personal morality, social responsibility and ethical standards are key drivers of work ethics in an organization that enhances work engagement.

5.3 Conclusion

The study has shown that practicing work ethics is an important step towards establishing an engaged workforce in an organization. Work ethics contributes to cognitive, emotional and physical engagement of employees in an organization. Work ethics helps the organization to promote an ethical climate, provides a reference point when making decisions, encourages employees to be environmentally conscious and allow staff to sacrifice their personal morality to fit within the existing norms. There is no doubt that valuing work ethics create a sense of trust between employees in an organization which is key when it comes to engagement. This observation is supported by the social exchange theory which imply that engagement determines the contribution of the employees to the social exchange with employers and it is only when an organization has conducive environment that this relationship will be beneficial and sustainable.

Work ethics affect employee engagement through its specific forms and constructs. Based on regression analysis, the study demonstrated that personal morality, social responsibility and ethical standards are the key aspects of work ethics that significantly contribute towards creating an engaged workforce in an organization. This means that promoting employee engagement require an organization to put in place personal morality, social responsibility and ethical standards.

5.4 Recommendations of the Study

Based on the findings, this study recommends that the human resource (HR) managers of the SMEs in Mogadishu City should focus more personal morality, social responsibility and ethical standards in an effort to create an engaged workforce. Employees working in these SMEs should be encouraged to be more socially responsible as they carry out their respective duties. The existing ethical standards among the SMEs in Mogadishu should be regularly reviewed and updated to match the changing environment.

Policy makers in Somalia should enforce relevant regulations that promote social responsibility among the SMEs in Somalia. Such regulations can include the need to take care of the environment. The policy makers working in the respective SMEs in Mogadishu should develop relevant policies and regulations that would guide work ethics at the place of work.

The shareholders of the SMEs in Mogadishu should demand strict adherence to work ethics among employees. The board of directors of the SMEs in Mogadishu who are custodians of the shareholders should play their role of ensuring the top management strict practice and adhere to work ethics.

5.5 Limitations of the Study

COVID-19 was the major challenge encountered by this study. Some of the respondents were still working from home by the time this data was being collected. This meant the use of phone calls and some of the respondents could not even pick their phones. To overcome this limitation, data was obtained from those respondents who were available alone. The other limitation encountered by this study was fear from the respondents that information to be shared was to be used to intimidate and victimize them. However, in order to overcome this limitation, assurance was provided to the participants that the study was only for academic purpose.

5.5 Suggestions for Further Research

The present study was conducted among SMEs, specifically those operating in Mogadishu, Somalia. The focus of future studies should be on other firms including the multinational corporations operating in Somalia. The focus of future studies should be on linking work ethics and other constructs like employee motivation as well as work performance. This would fill the conceptual gaps otherwise created by this study.

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APPENDICES

Appendix I: Letter of Introduction



UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
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18 October 2021

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
AYUB ABDULLAHI AHMED- REGISTRATION NO.D64/10105/2018

This is to confirm that the above named is a bona fide student in the Master of Science in Human Resource Management (Msc. HRM) option degree program in this University. He is conducting research on "*The Relationship between Work Ethic and Employee Engagement among Small and Medium Enterprises in Mogadishu Somalia*".

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your assistance will be highly appreciated.



JM/jo

Appendix II: Questionnaire

Section A: Background Information

1. Please indicate your gender

Male

Female

2. What is your highest education level?

Certificate

Diploma

Bachelor's Degree

Master's Degree

PhD

3. Please indicate the number of years you have worked in your respective organization

Below 5 years

5 – 9 years

10 – 14 years

15 – 19 years

20 – 24 years

25 and above years

4. Kindly indicate the number of years that your firm has been in operation

Below 10 years

11 – 20 years []

21 – 30 years []

31 – 40 years []

Above 41 years []

SECTION B: WORK ETHICS

5. Indicate the extent to which you agree with the following statements on work Ethics using a scale of 1 – 5 whereby: 1. strongly disagree, 2. disagree, 3. not sure, 4. agree, 5. strongly agree.

Code of Ethics	1	2	3	4	5
Code of ethics guide handling of issues like harassment					
Code of ethics provides a guideline on conflict of interest					
The code of ethics promotes an ethical climate in the organization					
There is clarity in code of ethics					
Ethical Standards	1	2	3	4	5
Ethical standards communicate the values to all the staff					
Ethical standards act as a reference point when making decisions					
Respect inform ethical standards					
All employee relationships are guided by ethical standards					
Social Responsibility	1	2	3	4	5
All employees have an obligation of acting in the best interest of their surroundings					
Employees are encouraged to be environmentally conscious					
Social responsibility boosts reputation of the firm					
Social responsibility fosters welfare of the community					
Personal Morality	1	2	3	4	5
Employees sacrifice their personal morality to fit within the existing norms					

Personal morality determines how employee coexists within the larger team					
Personal morality results into responsible employees					
Personal morality is an individual moral code					

SECTION C: EMPLOYEE ENGAGEMENT

9. Indicate the extent to which you agree with the following statements on employee engagement using a scale of 1 – 5 whereby: 1. strongly disagree, 2. disagree, 3. not sure, 4. agree, 5. strongly agree.

	1	2	3	4	5
Cognitive Employee Engagement					
I am knowledgeable of the mission of this organization					
I understand the strategies of this organization					
I am aware of my respective roles					
I am willing to take part in the activities					
Emotional Engagement					
I trust this organization					
I am fully connected to this organization					
I am concerned with feelings of other staff					
Physical Engagement					
I put all my energy to efforts					
I channel all my emotions into work					
I channel all my feelings into work					
I fully devote my physical energy when carrying duties					
I fully devote my emotional energy when carrying duties					

Appendix III: List of Small and Medium Enterprises in Mogadishu, Somalia

Number	Names
1	SAHAN Mineral Water
2	ZAMZAM FOOD INDUSTRY
3	HORSET SOFT DRINKING
4	FURAAT MINERAL WATER
5	BARWAAQO GENERAL INDUSTRY
6	IQRA Mineral Water industry
7	SOMALI FURNITURE FACTORY
8	SAFA Mineral Water industry
9	JED GROUP COMPANY
10	ASAL Mineral Water Industry
11	PANORAMA GROUP OF INDUTRY
12	HAYAAT Mineral Water Industry
13	MUDAN MULT FACTORY
14	AL-NACIIM Mineral Water Industry
15	DUCO Company LTD
16	JEMA Mineral Water Industry
17	JUBBA Mineral Water Industry
18	MAWARID COMPANY
19	AFI MINERAL WATER Industry
20	SOMALI CHALK INDUSTRY
21	IJAABO Mineral Water Industry
22	DALSAN Mineral Water industry
23	SOUTHERN GAS SOMALIA (SGS)

24	DHEEF Mineral Water COMPANY
25	SOMALI TISSUE
26	UNIGAS SOMALIA
27	SIMAN SPIRING Water Industry
28	HOUSE OF TOBACCO SOMALIA (LTD)
29	ADORA PAPER PRO, MANOFUCTURINGT
30	SOMALI INDUTRIAL MANOFUCTURES
31	WARSHADDA BIYAHA COCOCOLA
32	ROYAL PAINTS MANUFUCTUTING
33	HORYAL SOAP FACTORY
34	TAQWA LIQUID FACTORY
35	JAZEERA TOP TRASTING & INDUSTRY
36	UDUG DETERGENTS FACTORY
37	PHARM THERAPY BIO- MEDICAL COOPERATION
38	AMIIRA Factory
39	SOFT CARE PRODUCTION COMPANY
40	AFRICAN SOLUTION FACTORY
41	MOONLIGHT TISSUE PAPER
42	KULMIS ENTERPRISE INDUSTRY
43	SOMALI SPICES INDUSTRY
44	SOMALI SESIMA HULDIN AND OIL FACTORY
45	KAAFI INDUSTRY GROUP
46	DANAB LIMITED FACTORY
47	OOG DAIRY FACTORY
48	Somali National Food

49	SOMALI BANANA
50	SOMALI JUICE PRODUCTION COMPANY
51	SASAME OIL FACTORY
52	SOMALI TOMATO FACTORY
53	ITOP JUICE FACTORY
54	IRMAAN DAIRY LTD
55	AL. SAFA DAIRY FACTORY
56	QAAYIB Grin millers
57	G & M GENERAL COMPANY
58	GCL MILLERS SERVICE
59	BAIDOA MILLS Industry
60	Som Fresh Fruit
61	SHIBU FIRMS
62	Wadani Food
63	Sommilk company
64	Dhaashi Outlets Firm
65	SAHRA Seafood Limited
66	IRMAN Agro-crops
67	City Design & construction Company
68	BEYDAN Repair industry
69	Daaus Advertising Company
70	Midnimo Supermarket
71	Lizmiran company
72	Rajab food stof company
73	Amman Farm

74	Horn fishing company
75	SARA event management
76	Somali national fishing
77	Somali seafood product
78	OOG dairy plant

Source; Ministry of Commerce and Industry, Somalia (2020)