



BUSINESS ETHICAL PRACTICE AND SUSTAINABLE NATIONAL DEVELOPMENT IN NIGERIA

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Abstract

The paper examines business ethical practices in Nigeria and its imperative for sustainable national development. The paper posits that ethical practice is necessary in every business and that individuals should have a mind set of working towards a better future in order to achieve sustainable national development. It added that businesses in Nigeria should take initiative to work within the benchmark presented by international agencies such as roundtables of business leaders from Europe, Japan and United States of America, (CAUX), Center for Organizational and Professional Ethics (COPE) etc. to achieve sustainable national development. The paper discusses why unethical problems occur in businesses and levels of business ethics. It emphasized on the benefits of ethical programmes in business. It concludes that ethical business practices are desirable in every nation including Nigeria and that to achieve sustainable national development, developing the individual morally is necessary. The paper recommended a change in our value system, compliance by both international; and local businesses with labour and environmental norms enacted at international level and that government should be committed in enforcing anti graft laws in Nigeria.

Keywords: Business, ethics, business ethics, sustainable development.

Introduction

Ethics is synonymous with morality. It is prevalent in all profession as it guides, regulates, directs, modifies and controls the actions and inactions of people at work. Business is an economic activity concerned with exchange of value between the environment and individual or groups. Business involves a flow of various economic activities from factors of production to final market. The essence of business is the anticipation and satisfaction of consumers needs at a cost the consumer would be willing to pay in order to obtain the value utility of the goods and services paid for (Ikon 2004).

Business ethics according to Braimoh (2017) means various things to various people, but generally, it is about knowing what is right or wrong in the workplace and doing what is right. As a field, it is concerned with contemporary norms or standards of conduct that governs the relationship among human beings and their institutions (Aluko, Odugbesan, Obadamosi & Usuagwu 1998). According to Ezinma and Micheal in Ikelegbe (2012), there is no doubt that ethics should be an important part of business activity. They added that though the two are treated as mutually exclusive, but cannot be separated in real life and right thinking activities. Newton and ford (1998) pointed out that ethics is an issue of growing concern and important to business. They also emphasized that value questions are never absent from business and that moral responsibility is the first characteristics demanded for a manager in any business that wish to survive. Therefore, grounding in ethical reasoning is the best preparation for business success.



Sustainable Development and Business Ethical Practice in Nigeria

Sustainable development is actually a very broad concept to define because it is continuously evolving. One of the original descriptions of sustainable development is credited to Brundtland Commission in 1987. The commission defined Sustainable development as development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. Sustainable national development can be seen as a process of improving the range of opportunities that will enable people achieve their aspiration and full potential over a period of time while maintaining the resilience of economic, social and environmental system. Basically it involves a base which centered around three basic concepts which are the economy, the environment and the society (Adewole 2015). While many nations around the world are working towards achieving a better future, Nigerians has lost count on how many times transparency international has ranked Nigeria to be among the most corrupt nations around the world. Most of our dailies report on a daily basis of the corrupt practices that are inherent or discovered both in business and public offices.

Several efforts are being made by both the Nigerian government presently in power to eradicate sharp practices; also, various international initiatives have evolved to assist with entrenchment of acceptable moral codes of conducts for sustainable business activities. According to Adewole (2015), efforts are being made to strengthen and build capacities of business organization towards sound moral practices. These initiatives include roundtables of business leaders from Europe, Japan and United State of America (CAUX), the Coalition for Environmentally Responsible Economics (CERES), United Nations Conference on Trade and Development (UNCTAD), European Union Commission (EUC), International Labour Organization (ILO), West African Society of Business Ethics (WASBE), Social Accounting Standards (SAS), Center for Organizational and Professional Ethics (COPE-AFRICA) amongst others. While the United Nations (UN) is also working very hard to establish moral benchmark for business practices through UN Global Compact Initiative, the International Standardization Organization (ISO) has anchored ISO/PC/278, a platform on Anti Bribery management system, the aim of which is to help business adopt ethical principles and zero corruption.

Unethical Business Practice in Nigeria

Society expects a reasonable ethical conduct on the part of business. Surprisingly, ethics is not taken seriously in Nigeria business terrain despite the critical importance of ethical practices for sustainable growth and development. According to Adewole (2015), the average Nigerian sees business and ethics as oxymoron, which ought not to be so. Uge and Ikwuogu in Ikelegbe (2002), believes ethics deals with moral issues of right and wrong, good and bad actions, virtues and vice and rights and obligations. Examples abound in Nigeria of issues concerning unethical practices in business which directly affects the consumer. Such instances as bakers using some ingredients/chemicals like potassium bromate in the production of bread and other bakery products which will likely cause harm to the consumer becomes an issue of unethical business practice that is not in agreement with



sustainability. Some organizations have been known to expose their employee to dangerous work environment resulting to such employees getting infected and falling ill. Also, some business owners are known to have denied their employees a fair deal of what rightly belongs to them. These issues are all concerned with unethical practices which do not guarantee sustainable development.

According to Adewole (2015) a study on ethics in Nigeria business conducted by Asolo (2000) indicated that 98% of Nigerian business men agreed that they have engaged in one form of unethical practices or the other. It also indicates that Nigerian businesses are rated worse in ethical practices. Oguechi (1998) and Asolo (2008) in their separate research indicated that unethical practices in Nigeria business terrain are multifarious and multidimensional. These includes short changing of consumers by businesses, product adulteration, over pricing, shareholders manipulation, tax evasion, bribery, product misinformation, sales of expired goods etc. The perception of an average international investor is that Nigerian business men are not trustworthy (Fafowora, 1988). It is not surprising therefore that Nigerian business do not have sustainability potential.

Ekanola (2005) stated that businesses in Nigeria are founded on wrong principles that are devoid of strong ethical anchor. Strong ethical anchor can assist businesses to grow and blossom into unforeseeable future. Most businesses are guided by narrow selfish interest without consideration for ethical implication of their internal and inter transactional behavior on critical stakeholders that include consumers, society and environment (Adewole, 2015) this situation makes businesses unsuccessful.

Ethical Business Practices and Sustainable Growth

Unethical business practices in Nigeria business terrain have become a major disincentive to the growth and sustainable development of existing and potential businesses. Apart from the fact that absence of core ethical principles exposes Nigerian existing businesses to growth retardation, honest potential investors who might want to invest in Nigerian businesses are easily discouraged (Purnis, 1994, Asolo, 2000, and Adewole, 2015). Nigeria currently has high rate of dead businesses as most business die because they basically abandoned ethical principles from onset. The challenge is now much more on prospective young entrepreneurs who want to venture into businesses as they are discouraged by the environment due to unhealthy and unethical business practices because the business environment has been made to be hostile for young and upcoming entrepreneurs.

Behaving ethically has therefore become an important issue and is germane to business growth and sustainability. Most societies according to Adewole (2015) are now more conscious of ethical implications of business operations and activities. Nigerian businesses can also be conscious of ethical issues to achieve sustainable development. Canada for instance with the Canadian Business Social Responsibility (CBSR) always like to know whether a particular business in Canada upholds ethical principles of fairness, good corporate governance and social responsibility year in year out. In the United States of America, business organizations are periodically subjected to ethical analysis in terms of relationship with customers. Consumers are also been encouraged to demand for and assert their right. In other parts of Europe,



issues such as environmental pollution, business involvement in consumer friendly activities are examples of activities that attract moral scrutiny.

In Nigeria however, there exist agencies such as consumer protection agency, International Standard Organization, Nigerian Drug Law Enforcement Agencies among others, that are saddled with the responsibility of helping to sanitize businesses and to curtail unethical practices, but their effect has not been felt as expected. To achieve sustainable growth in business, there must be a deliberate attempt to incorporate ethical principles into business practices as a way of enhancing sustainable business development in Nigeria.

Why Unethical Problems Occur in Business

Good has always been preferred to evil and right preferred to wrong, still there are problems in doing the right and good things. Frederick, Davies, Post and James (1988) have presented five of such reasons which include;

1. **Personal Gains:** some employees come into organizations placing their gains above that of their firms and therefore working towards making such gains without actually considering the harm they would cause their organization, colleagues or the society. Organizations are partly responsible for this because enough time is not taken to get actual report in screening out bad eggs among them whose aims are solely to achieve their gain at the expense of the organizations.
2. **Individual Values Conflicting with Organizational Goals:** Organizations may be adopting practices that are against individual ethics but for fear of losing their jobs, individuals may concede and carry out moderated activities just to satisfy their bosses. Sometimes, ethical conflicts may arise from organizations pursuing what employees may term inordinate goals, but the underlining factor is that majority may concede to organizations demand to keep their job
3. **Managers Value and attitude:** The value adopted by manager's guide the conduct of employees because they watch to emulate their leaders. When managers are morally bankrupt, only employees who want to follow suit will remain. Leaders are most of the time looked upon as role models and people who occupy position of authority are always watched with keen interest and since bad examples are copied faster than good ones, discretion should be applied in area of exception.
4. **Poor Condition of Work:** This can be in form of very poor salaries paid to the workers with little or no fringe benefits at all. Though this is not really an excuse for pilfering, but employees are tempted and exposed to do so. Organizations should make efforts to create conducive working conditions for their workers.
5. **Inadequate Security Checks:** Even when employees are trusted and have proven to be honest, there should still be checks provided at the entrance of any organization. Such checks are important to reduce attempts to ridicule the organization.



Levels of Business Ethics

According to Fiester (2008), business ethics is usually derived from the profit motive. Deriving business ethics from the profit motives of an organization, he explains, relies on the belief that ethical standard in business naturally bring about profit in business. Perspectives of profit identified, is that moral business practices will enhance profitability. For this group of organizations, they will for example make safe products since it will reduce exposure to law suit. The major limitations of this approach are that its economic benefits are in long run. However, Steiner and Steiner (1991) have identified levels of business ethics such as;

1. **Individual Level:** The individual level of ethics talks of what should or should not be done in the organization. All individual responsibilities should always be assessed before choosing any course of action to ensure that they do not cause any harm or inconvenience to others. Weiss (1994), cited examples like calling in sick when the worker is really not sick, accepting bribes before doing what is to be done or when a top official is involved in sexual harassment of junior officers or embezzlement of funds etc.
2. **Company Level:** Company or organizational conduct can be either ethical or unethical. Unethical conducts can range from bribery generally termed “PR”, producing fake drugs, placing orders abroad and giving specification for sub-standard products, money laundering etc. At this level, organizations should check their actions which can be consequential and decide to make more ethical choices.
3. **Business System Level:** At the business system level, the total impact of business activity to society is identified. In Nigeria, the most mentioned businesses are the oil industries and the manufacturing sectors. This brings to mind the oil companies’ spillage and dumping of waste product from oil which have made most farmlands uncultivable and river contaminated and no more fit for fishing. More efforts should be made by the oil companies in minimizing their actions which are inimical to societal healthy existence and sustainable development.
4. **Association Level:** Association level of ethical conduct is concerned with professional association whose charter of ethics, code or guidelines on conducting business bar them from indulging in unethical behaviours. Associations mostly mentioned are those of the accountants, lawyers, medical doctors and management consultants.
5. **International Level:** International level ethics is concerned with whether an employee should work for or accept his/her company’s policy of doing business with a government that supports terrorism which is so widely spread presently. In such cases, government can enact laws that will prevent companies in indulging in actions which portray very poor image of the nation.

Benefits of Ethics in Business

It is imperative for businesses to understand and implement ethical principles as part of the current efforts at re-inventing Nigerian business (entrepreneurial) practices for growth and sustainable development. There are need to lay great



emphasis on adequate understanding and implementation of ethical business practice by Nigerian businesses as ethical business practices enjoins enterprises to understand their expected roles in relation to business stakeholders. It also enjoins businesses to work very hard in order to satisfy and sustain expectations of broad spectrum of stakeholders which include consumers, suppliers, government, environment, society, labour/workforce and shareholders. By doing so business shall be assured of continuous growth and development.

In every organization for instance, stakeholder's expectations are diverse. Success oriented business development programme therefore must include effective aggregate of stakeholders' expectations which must be manage in a way that stakeholders would continually support business activities (product and service inclusive). Some ethical benefits of ethical business practices as presented by Braimoh (2017) include:

1. Attention to business ethics helps to improve society, it helps to maintain moral course in turbulent times. It is critical during times of fundamental change - times much like those faced now by businesses, both non profit or for profit. According to Wallace and Pekel in Braimoh (2017), during times of change, there is often no clear moral compass to guide leaders through complex conflicts about what is right or wrong, but continuing attention to ethics in businesses sensitize management and staff ,to how they want to act consistently.
2. Ethics programme cultivate strong team work and productivity. Ethics programme align employees behaviors with those top priority ethical values preferred by leaders of the organization.
3. Ethics programme if well nurtured in businesses support employee growth and meaning. It help employee face reality, both good and bad in the organization and themselves
4. Ethics programme are an insurance policy- they help ensure that policies are legal. It will reduce the number of law suit with regards to personnel matters and to the effects of an organizations service and products. It equally ensures highly ethical policies and procedures in business/workplaces.
5. Ethics programme help to avoid criminal acts "of omission" and it tends to detect ethical issues and violations early on, so they can be reported or addressed.
6. Ethics programme lend a hand in managing values associated with quality management, strategic planning and diversity management. For example, ethics programme identify preferred values and ensure that organizational behavior are aligned with those values. This effort includes recording the values, developing policies and procedures to align behavior with preferred values and then training all personnel about the policies and procedures. This overall effort is very useful for several other programmes in the workplace or business that requires behavior to be aligned with values, including quality management, strategic planning and diversity management which will help in sustaining and development of business.



7. Attention to ethics promotes strong public image. It serves as strong public relations; admittedly, managing ethics should not be done primarily for reasons of public relation but the fact that an organization regularly gives attention to its ethics can portray a strong positive effect to the public.

Conclusion

Ethical business practices are desirable in every nation. There are ongoing tendencies in modern business practice to adjudge whether businesses behave ethically or not based on established business ethical responsibility benchmarks. To achieve such set goal, developing the individuals morally is necessary. The issue of importing substandard goods and producing goods below required standard can be eliminated if individuals mind can be developed morally. The result of ethical profile of businesses has become powerful yardstick for deciding whether one should deal with such a particular business of organization either as an investor or as a consumer. As efforts towards repositioning businesses/entrepreneurial activities for sustainable national development intensifies, the attention to ethical values in operational activities with the context of all stakeholders expectations have become indispensable because when business attain desired growth through adoption of ethical principles, such growth and development will eventually bring about national sustainable development.

Recommendations

The following recommendations are suggested to curtail unethical business practices in Nigeria:

1. Value System: at the center of every business model is the company's value proposition. A company's value proposition distinguishes it from its competitors. A change in our value system is imperative to encourage Direct Foreign Investment (DFI) for sustainable national development
2. Compliance: International companies doing business in Nigeria (vice versa) must remain ethical and comply with labour and environmental norms enacted at international level. A situation where unethical practices that international business will not be involved in, in their country have become a norm in Nigeria is not acceptable as it will be retrogressive to sustainability.
3. Government Action: government should be committed in fighting unethical practices. It must maintain discipline and deal decisively against bribery and corruption. Anti grafts laws should be enforced with all seriousness if we must achieve sustainable national development.



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