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Business Ethics and the Challenges of Compliance in Nigeria

Ogbechie Rose
Senior Lecturer, Department of Business Ethics, Lagos Business School,
PAN-Atlantic University, Lagos State, Nigeria

Abstract:
The necessity of Ethics to a contemporary Nigerian society is indubitable, given the debilitating effects of a fast-expanding culture of corruption and disreputable business conduct, within most African countries, and especially Nigeria and still, the growing awareness of the burden of responsibility and consequence. Even more so, Business Ethics is of great relevance to the Nigerian society, in order to help build a viable economy of accountability and social responsibility. This study is, in this stead, an attempt to answer some of the questions on why a greater number of companies in Nigeria are yet paying lip service to the necessity of Business Ethics. This has led the researcher to carry out a comprehensive study on the challenges of compliance of indigenous Nigerian business enterprises to Business Ethics and the measures that should be adopted in ensuring compliance. Furthermore, in achieving its aim, the study adopts a quantitative field survey methodology with respondents in indigenous companies that have operated in the Nigerian business environment over a period of ten years and are listed on the Nigerian Stock Exchange (NSE) and also those that are not listed on the Nigerian Stock Exchange. In its final analysis, the study reveals that the prevalence of corruption, 'godfatherism' and difficulties faced when reporting unethical issues are the major challenges of Business Ethics compliance in Nigeria organizations. This study then offers useful suggestions, on managing these compliance challenges, to business managers in Nigeria as they strive to enhance business operations.

Keywords: *Ethical behavior, organizational behavior, businesses and challenges*

1. Introduction

Most organizations in Nigeria and across the world are quickly realizing the importance of Business Ethics in their drive for sustainability. This expanding realization has come, more and more, to the fore with the collapse, in past years, of large multinational corporations like Enron, WorldCom and Arthur Anderson. Correspondingly, the trend, in Nigeria is not, in the least, different, considering past happenings in her national socio-economic space, when a significant number of Nigerian companies and banks, either collapsed or was alleged to be involved in serious ethical issues and disreputable business practices that affected them negatively and eroded the vested confidence of their shareholders, and extensively, of the general public in the integrity of fiduciary relationships with these companies. In diverse cases, these banks and companies were involved in unethical issues that led to their classification as distressed institutions by the regulator. More recent cases expose issues in climate lobbying, as in the case of the US-based multinational, ExxonMobil, down to the Toshiba accounting scandal of 2015. Going by this, it is becoming increasingly apparent that organizations may be unable to sustain their businesses if Business Ethics were not properly incorporated into their strategic and organizational structure. This is because, significantly, Business Ethics in corporate governance is germane to the sustainable development of any business. Nilsson and Westerberg (1997: 492) argue that Ethics and business, not only can, but must go together hand in glove; for, to do business without concern for Ethics is the surest way to fail.

This research, therefore, is imperative, given the dearth of moral courage on the part of some business owners in Nigeria to pursue and sustain ethical business practices in their organizations. Many directors of companies, who while in public fora, claim that they run ethical organizations, often give in easily, nonetheless, to the pressures of ethical dilemmas when it does matter most. They tend to think in terms of immediate survival as against the long-term sustainability of their businesses. Many multinational companies in Nigeria and Nigerian owned companies have codes of Ethics, with further measures put in place to guard against non-compliance, as our research reveals. However, the challenge of these measures being grossly inadequate is still evident. Due to enormous pressures and fear of survival, compliance with set down ethical standards by both medium and small size companies usually comes with great strain. This is sometimes because the leadership of these organizations fails to exhibit sufficient moral courage needed to ensure compliance even where there are established codes of Ethics. Kidus and Addis (2011) maintained that a considerable number of organizations develop their own codes of conduct, to enable them to identify with the necessity of ethical responsibility.

Some have also gone further to form alliances with others around the globe to establish standards in improving the quality of life for workers and customers around the world. Companies such as Avon (cosmetics), Sainsbury Plc. (a food retailer in the United Kingdom), Toys 'R Us (toy retailer) and Otto Versand (clothing retailer) have joined with the Council on Economic Priorities (CEP) to establish SA8000 (Social Accountability International 8000, on the lines of the manufacturing quality standard ISO9000). Their proposed global labor standards would be monitored by outside organizations to certify if plants/ organizations are meeting those standards.

With this background, an attempt to answer some of the questions on why some organizations pay lip service to the demands of Business Ethics in Nigeria led the researcher to carry out a comprehensive study of the challenges of compliance of indigenous Nigerian enterprises to Business Ethics and how adequate the measures taken by them are. This study thus seeks to give answers to the following questions: What key factors or challenges hinder ethical compliance by indigenous organizations in Nigeria? To what extent have the challenges of compliance impacted on the ethical behavior in organizations? To what degree has government intervention helped in curtailing unethical practices in the country? However, appropriately, it is apposite to conceptually clarify the subject of Ethics, we are dealing with, in order to systematically follow the discourse and define the mediatory role of Ethics in business practices and conduct.

Accordingly, Ethics is the conduct of behavior which takes into cognizance the dignity and conditions of recipients that may be influenced, positively or negatively by one's decisions and actions. Ethics dictates the right manner of doing things, while avoiding trampling on the rights and dignity due other persons. Ethics is not just conventionally theoretical; it is likewise contemplative and practical. Kidus G. Mehalu and Addis Ababa (2011) see ethics as concerning itself with human conduct or activity that is done knowingly or consciously and does have applicability to organizational life. Organizations as entities do not make decisions; individuals acting in the interests of the organizations do.

In some indigenous Nigerian companies that have or do not have codes of ethics, their attention primarily is often on how to get more business traction in order to remain in corporate relevance and so habitually they turn away blindly from practical ethical reasoning on decision-making issues. Some of them tend to believe that when they have grown and have ample financial muscle then they could begin to think of incorporating Business Ethics into their operations. However, they tend to forget that organizations and business people, who wish to succeed, long-term, must adopt sound ethical decision-making practices. Organizations and people who behave in a socially acceptable manner are much more likely to enjoy ultimate success than those whose actions are motivated solely by profits. Like the three 'P's" of social responsibility enunciate, every organization should have a balanced responsibility towards profit, people and the planet. Knowing the difference between right and wrong and choosing what is right is the foundation for ethical decision making. In many cases, doing the right thing often leads to the greatest financial, social, and personal rewards in the long run (Gruble, 2011).

The result of this study will be very much useful to business managers as it shows reasons why Business Ethics must be taken seriously and offers suggestions on how to incorporate Business Ethics in decision-making.

2. Literature Review

2.1. Ethics in Business

Ethics, as a branch of philosophy, is the critical study of what one ought to do, or how one ought to live. Summarily, ethics deals with "what is right or wrong in human behavior" (Thiroux & Krasemann, 1928). As Bosanquet (1919) points out, the greater part of our moral failures stems from the fact of our "blindness not [merely] to facts or truths but to values." These were values taken as values that were absolute and objective. Appropriately, also, for Aristotle, Ethics was largely practical rather than mere theoretical study, for it dictated a human agent aiming at doing the good and becoming good therefore, and less on just knowing the good for its sake alone. As such, Plato tried to enunciate a contrast in practical ethics with knowledge of the measurement of short-term and long-term consequences, where knowledge is pragmatic and not simply passive. Moral values, constituted in Platonic thought, spiritual objects of knowledge (Fieser, n.d., 1a, para. 2). In this light, Erondu et al (2004) hold that the study of "Ethics" focuses on issues of practical decision-making, including the nature of ultimate value, and standards by which a human action can be judged right or wrong, good or bad. Furthermore, for Adenubi (1999), Ethics applies to any system or theory of moral values or principles. This is because, like Beauchamp and Bowie (2001) assert, Ethics is the general term referring to both moral beliefs and ethical theories on human conduct. Human conduct is predicated on the basis of individual freedom and the mediatory consequence of responsibility. It becomes clear, hence, that Ethics has a pervasive role in the entirety of human life and behavior, whether in social life, religious expressions or professional conduct. This is because every human person is first and foremost a moral agent. Moral agency dictates that the individual is morally accountable for actions taken and the consequences of said actions (Parthemore & Whitby, 2013). Interestingly, a moral agent is a conceptual or rational agent, i.e. being able to develop concepts or engage in rational thought and choice (Parthemore & Whitby, 2013). As individuals, we make choices every day of our lives, in our daily activities and in our business lives. Applicably, Ethics in business has to do with principles and practices of moral and good conduct in business processes. It is basically concerned with rightness and wrongness of human choices and actions within the context of business. Ethics, thus, exercises a governing role on the nature and process of business, because ethical issues are concerned with reasons for action, for not all reasons are reasons to act (Skorupski, 1996). Actions within businesses take the forms of decisions and the execution of procedures. Business Ethics will, therefore, be concerned about the nature and consequence of these business-related decisions and procedures. According to Kirk O. Hanson, a renowned ethics scholar, who is the Executive Director of the Mark Kula Center for Applied Ethics, "Business Ethics is the study of the standards of business behavior which promote human welfare and the good." Obiora (2011) argues that Business Ethics is about sustainability and that short-term sacrifices invariably lead to long-term gains. A widely-accepted definition for Business Ethics maintains that Business Ethics is a set of corporate values and codes of principles, written or unwritten, by which a company evaluates its actions and business-related decisions (Gruble, 2011). This is factored on the point that human beings generally have the capacity to make value judgments, representing a certain moral sense by which we discern good from bad, or right from wrong (Melé, 2009). As the definition goes, Business Ethics can be written or unwritten.

Every organization, nonetheless, has differing perceptions of Ethics and codes of conduct due to a relativism of cultural views, working arrangements, and strategic orientations. However, all organizations recognize the fundamental principles of Business Ethics, couched in the ideal of differentiating right actions from wrong decisions. Generally, "Ethics" and "Business Ethics" from the aforementioned authors, hence, are the accepted set of moral values, limitations and corporate standards of conduct that guide the behavior of individuals and business organizations. It is on this basis that ethics dovetails with the notion of corporate social responsibility. Decisions and actions, within businesses, determine the direction in which a business will grow and the relative success and sustainability of the business within its business niche, while also forming an apparent collective corporate identity for the organization. Businesses are built for profit; but to avoid a blind concern merely for profit, businesses bear a social responsibility to people as well as to the planet (Carroll & Shabana, 2010). Every business organization, accordingly, requires the checks of laws and codes of ethics, to guide the nature and direction of their decisions. These codes of conduct are basically derived from the organization's perceptions of ethical behavior, chosen based on the organization's interests, and given the backing of legal validity. Ethical codes are best when they are aspirational towards objective ideals and not simply legalistic or compliance driven (Mayer et al, 2012). Yet, compliance is demanded of the letter and the spirit of the code. It is at this intersection of ethics and the law (codes) that jurisprudence emerges, which implies, applying these codes within the particularity of each ethical dilemma or circumstance.

Richard Rhodes (2003), the founder of Rhodes Architectural Stone lnc, in discussing the ethical issues he faced while doing business in China, Africa, and Indonesia explains that his business had to clearly establish "black and white" operating principles, in order that the company eschews payment of bribes. This means walking away from huge corporate deals, sometimes, no matter how big and appealing they seem. Furthermore, he points out that one should always ask the following questions before making business decisions: Who am l? How does it feel concerning this situation? Will l feel contented if this course of action is taken? What is ethically correct? For Paul Merchant, therefore, the one way of dealing with ethical dilemmas is to employ the following four-way test to evaluate decisions: Is my decision a truthful one? Is my decision fair to everyone affected? Will it build goodwill for the organization? Is the decision beneficial to all parties who have a vested interest in the outcome? When these questions are answered honestly, then it is possible that the decisions, finally made, are ethical ones.

Undoubtedly, Ethical behaviors in business practices lead to business success and a stable organization and economic system. The counterfactual of huge firms like Arthur Anderson, Enron, News of the World etc., that have collapsed, after many years of stellar achievements, because of unethical decisions, lends credence to the workability and sustainability of ethical business frameworks (Melé, 2009). Steinberg (1994) points out that Ethics in the world of business involves an "ordinary decency" which encompasses areas as broad as recognition of values in integrity, honesty, as well as, fairness. In addition, Adenubi (1999) also opines that behaving in an ethical manner is seen as part of the social responsibility of organizations, which itself depends on the philosophy that organizations ought to impact the society in ways that go beyond the usual profit maximization objective. With this in view, Joseph (2010) argues that since morals spring virtually from every decision, the organization's stability and survival depends on the consistency of ethical decisions made by managers. Most firms undertake adoption of ethics within their business operations, in diverse scenarios, when maybe, they need to redeem a company's image, already battered by notorious scandals, to avoid the loss of a good corporate image or escape any legal sanctions for misconduct, to build corporate reputation, to enhance stakeholder relationships, or to act with real commitment (Melé, 2009).

2.2. Non-compliance as an Ethical Challenge

Managers are challenged and encouraged to be committed to organizational performance by supporting and assisting the societal growth when they imbibe an ethical culture in which the interest of each and every one is given due consideration (Oladunni, 2000). Oladunni (2000) goes further to state that many business managers carry out their activities today, without much keen interest or concern whether their actions are right or wrong. Besides, the extent of employees' understanding of Ethics and their consequent level of compliance to ethical norms is highly discouraging (Oladunni, 2002). Wolfe (1999) explains that managers have cultivated ways of reasoning (of which they may be quite unaware) that fester unethical behavior. Regrettably, even though managers soon become well aware that their projected decisions are unethical, many still go ahead to act them out anyway. Based upon in-depth interviews with thirty (30) graduates of a Harvard MBA program, Badaracco and Webb (1995) revealed several significant but disturbing patterns. First, it was the case that these young managers had, on various occasions, received explicit instructions from their middle-manager bosses or felt strong organizational pressures to do things that they believed were unethical, or sometimes illegal. Second, legal compliance mechanisms (corporate ethics programs, codes of conduct, mission statements, hot lines, and so on), unfortunately, provided little help in such environments. Third, many of these young managers believed that their company's executives were out-of-touch with ethical issues; either they were too busy or in other instances, sought to avoid responsibility. Finally, these young managers, generally, resolve the bulk of ethical dilemmas they faced largely on the basis of personal reflection and individual conviction of values, not through reliance on corporate principles or company loyalty. Along with this view, Brief et al (1996) also discover, in a survey conducted, that 87% of accountants were willing to misrepresent financial statements in at least one case when presented with seven financial reporting dilemmas. Termes (1995) compares ethical compliance mechanisms (virtues) versus legal compliance mechanisms (codes) and concludes that the ethical functioning of financial institutions cannot be trusted to the imposition of codes of ethical conduct but that the only way in which business companies can be ethical is for people, individually, to be ethical, for being ethical transcends the letter of the law or the code. According to Nielsen (1999b), managers, behaving unethically contrary to their ethical philosophies, represent serious limits to ethical reasoning within the firm. Managers have significant influence in the organizational lives of other employees, and as such often have their behavior emulated by employees. Summarily, it is easy for employees to copy the actions of their managers. Wilbug (1988) opines that organizations, on the other hand, are seen as managerialists, where managers have powers in their own hands to change organizations for the benefit of their own interest. This is similar to the past crisis in the banking sector in Nigeria where some of the managers of the distressed banks were involved in various unethical practices that led to the managerial lethargy of the said banks. Nonetheless, with many of the managers eventually removed and replaced by new Chief Executive Officers (CEOs) to govern those distressed banks, by the governor of the Central Bank of Nigeria (CBN), a gradual facelift has taken place. Also, Ogundele & Opeifa (2004) give us a comprehensive description and analysis of unethical business practices in Nigeria especially as regards electronic fraud. Marshall (2003) argues that various methods of unethical reporting results in major problems within organizations and the economy as a whole. Unethical reporting often portrays a pseudo-healthy financial situation and thus misleads investors and employees to believing that the company is doing well.

Beverly et al (2007) say certain factors have been identified as contributing to unethical behavior such as self-interest, failure to maintain objectivity and independence, inappropriate professional judgment, lack of ethical sensitivity, improper leadership and ill culture, failure to withstand threats, lack of competence, absence of organization and peer support, and lastly, dearth of a mediating professional body. And in situations where these are prevalent, organizations tend to develop counter-norms and deleterious organizational practices, which are contrary to prevailing ethical standards (Jansen and Von Glinow, 1985). All the same, Webley and More (2003), from their study, prove there is a strong evidence to indicate that large UK companies with codes of ethics, for example, those who have an explicit business ethical framework, outperform in financial indexing and other indicators of company growth than those companies who are lacking any existent code of Ethics. Emphatically, Joseph (1991) declares that no one can conduct the affairs of any office satisfactorily whether in government, private business and even civic organization if the first, middle and last concern of such an individual is about how he or she can extract ultimate personal material benefit from routine transactions. This description typifies common practices in most private and public organizations in Nigeria which Rossouw et al (2002:41) describe as "survival morality" and by definition, concerned with a 'bread first, morals later' organizational philosophy. The argument is that many Small and Medium-scale Enterprises (SMEs), or at least those in early stages of development, are so concerned with surviving that Ethics will be compromised if there is any business advantage to be had.

Business pressure, and sometimes pressure from an unethical environment, leads companies to 'cut corners', reduce product quality, and over-promise or over-commit, which eventually impacts negatively on the sustainability of their operations (Painter-Morland, 2009). Ogundele et al (2010) note that professional bodies such as medicine, accountancy, engineering, law, etc., have ethical codes of conduct but same cannot be said of business organizations or chambers of commerce and industry in Nigeria. To restore sanity to their operations and to earn respectability from the outside world, private and public organizations in Nigeria need to fashion out codes of Ethics. Business is a human activity and, like most human activities, it has been and is likely to continue to be evaluated from a moral point of view (Robin and Reidenbach, 1987).

Government efforts in encouraging openness and honesty within organizations and the society have not yielded results rather have made some operators become more secretive and deceitful while those willing to blow the whistle on unethical behaviors are treated unfairly. Ogundele (1999) reported several acts of indiscipline, which had their roots in socio-cultural patterns in the political process, economic system, psychological orientation, family background, leadership behavior, value system, legal/ judicial system, and modernization process, majorly due to management slacks, lack of motivation and lack of commitment to religious tenets. These had made the attainment of national development goals difficult and equally resulted in a low performance of organizations in Nigeria. Also, Akinyemi (2002) reported that one of the greatest social and economic problems in Nigeria and around the continent of Africa, which must be tackled, is that of a growing breakdown in morals, work ethics, discipline, social responsibility and general civility among its citizens.

A lot of efforts have been made to curb unethical behaviors and indiscipline in organizations and the society by different Heads of State in Nigeria but their efforts have, significantly, not yielded tangible results. General Muhammadu Buhari came up with a Decree in 1984 on War against Indiscipline (WAI), instituted to put an end to unethical behavior in both public and private Nigerian organizations. General Ibrahim Babangida terminated (WAI) in 1985 and came up with a programme housed in the Directorate of Mass Mobilization for Social Justice and Economic Recovery (MAMSER). After its existence for some years, General Sani Abacha (1993) replaced MAMSER with the National Orientation Agency (NOA). The objective was to ensure ethical and patriotic behavior by individuals and organizations in Nigeria. In the year 2000, General Olusegun Obasanjo established the Independent Corrupt Practices and Other Related Offences Commission (ICPC). This was backed up by an Act of the National Assembly. Again in 2004, the Economic and Financial Crimes Commission (EFCC) was established, both aiming at curbing unethical behavior in the society. The Code of Conduct Bureau, the Public Complaints Commission, the National Open Apprenticeship, the War against Indiscipline Council and the Independent Corrupt Practices Commission were all also established. Although the effectiveness of these institutions is yet to be demonstrated, they provide new support for businesses operating in Nigeria (Ogundele et al, 2010). More recently, President Muhammadu Buhari has unveiled the full implementation, in his administration, of the Open Contracting Data Standard (OCDS) to enable greater transparency in public contracting and the management of major projects in the oil, transportation, power, health, education and other sectors of the economy. This will allow a transparent central registry of foreign companies bidding on public contracts and eschew any covert actions of corruption (Abubakar, 2016). Fatoki and Marembo (2012) argue that if the government can eradicate unethical practices among government officials, then the private sectors can find the motivation to conduct businesses ethically. From the foregoing, thus, it becomes clear that Nigerian business organizations, with the prevalence of unethical practices within their corporate niches, are at a disadvantage in global business practices which demand ethical behavior (Ogundele et al, 2010). Solutions to unethical behavior must focus on changing people by employing the following approaches; values-related, economics, legal/judicial sanctions, religious, managerial, leadership, family, socio-cultural, educational, training and development, police/armed forces reforms, motivation, modernization, development and multi-dimensional approaches. These are some of the ways of solving several problems created by corruption and bribery in African businesses (Ogundele et al, 2010).

Although, all the past and present Nigerian Heads of State and presidents have had different perceptions on how to curb unethical behavior in Nigeria, their efforts seem not to have yielded much result in curbing unethical behaviors in organizations and among public office holders considering the many cases of unethical practice in the banking sector and within governmental agencies. In actual practice, the process of changing the moral or ethical behavior of organizations is profoundly complex and requires careful approach (Smith, 1982).

Harshbarger and Holden (2004) conclude by pointing out that many of the governance issues that organizations face is not new; the environment in which they confront them is more challenging than ever. The factors that have brought ethical issues into sharper focus are globalization, technology and rising competition amongst organizations. Van Beek and Solomon (2004) also noted that the ability to deliver a professional service will necessarily take place in an environment in which there is an increasing tendency towards individuality, while society as a whole becomes more global. The new realities of corporate governance show that no entity or agent is immune from fraudulent practices and these have altered the ways companies operate; they have re-defined the baseline for what is considered as prudent conduct for businesses and executives (Dandino, 2004). So, the survival of any business enterprise depends, to a large extent, on the degree of goodwill, trust and positive ethical perception, which it is able to elicit from cross-sections of people and institutions that maintain one fiduciary relationship or the other within such businesses (Asolo, 2007).

3. Methodology

3.1. Scope of the Study

The study is investigative in nature; hence, the investigative survey design was employed. Questionnaires were designed and used to obtain responses from employees of organizations that are listed on the Nigerian Stock Exchange (NSE) and the organizations yet to be listed. The study was undertaken in Lagos, a commercial city located in the South-Western part of Nigeria. This place is chosen due to its centrality and significance, as Lagos State is reckoned as a major commercial hub of Nigeria with a significant figure of about 60-70% of businesses and industrial relations clustered around this huge economic capital of Nigeria (Lucky et al, 2010: 111). For that reason, most businesses have their corporate Head Offices in Lagos or at least establish some corporate presence there.

3.2. Data Collation

A total of a hundred (100) questionnaires were distributed to employees of banks, oil and gas firms, insurance companies, eatery businesses, and clearing and forwarding companies. Some of these organizations are listed on the Nigerian Stock Exchange and have existed for over ten years, while others are Small and Medium-sized businesses (SMEs) that are yet to be listed on the Nigerian Stock Exchange. All the hundred (100) questionnaires were completed and returned within three working weeks. However, there were some missing data points due to some unanswered questions by respondents. Because of the sensitive nature of the research topic, the questions in the questionnaire were designed in such a way that the respondents would answer without bias.

3.3. Research Design

The research was designed and modified by the author, with section A having a total number of four questions, concerned with the biographic information of the respondents. Section B has a total of thirteen questions which try to measure ethical practices and compliance measures in organizations. And finally, section C has a total of five questions which analyzes government efforts in regulating ethical issues in the society.

3.4. Data Analysis

The data collected from the questionnaires were analyzed using the Statistical Package for Social Sciences (SPSS) and the Microsoft Excel Spreadsheet. The Microsoft Excel spreadsheet helped us to transform the variables garnered into a format, suitable for analysis, after which the Statistical Package for Social Sciences (SPSS) was utilized for data analysis.

4. Results and Analysis

4.1. Demographic Information

The results are presented beginning with the presentation of sample background information as shown in Table 1.

Factors	Category	No	%
Sex	Male	78	79
	Female	21	21
Full-time staff	Yes	70	72
	No	27	28
Years of organization existence	Between 1-5 years	40	41
	Between 5-10 years	57	59
Department	Finance	7	7
	Human Resource	7	7
	Marketing	21	21
	Operations	43	43
	Others	21	21

Table 1: Demographic Information about the Sample
Source: Author's estimate from survey response.

The respondents were composed of 79% males and 21% females. This was a good representative sample, given the fact that the business world is dominated by men. Furthermore, 72% were full-time staff while 28% were contract staff. The 72% of responses from full-time staff is a good basis likewise since, as full-time staff in the organizations, they have broader knowledge of the goings-on in their various organizations than the 28% of respondents who are not full-time staff. Also, 59% of the organizations, which are sourced in the survey, have been in business for over ten (10) years, with 41% others, in business for less than ten (10) years. These are majorly the Small and Medium-sized organizations that, largely, just started business operations. The key departments represented by the respondents are in operations, marketing, finance and human resource and represent statistic of about 43%, 21%, 7% and 7% of the sample size respectively.

4.2. Measured Employee Perceptions of Ethical Codes of Conduct within their Organizations
The level of the impact of the codes of conduct on the perception of employees, as regards how ethical the organization was run, was captured in the questionnaire, with the question; does Business Ethics complicate the running of a business?

Effect	Agreed/ Good	Disagreed/ Average	Indifference/ Unsatisfactory
Does Business Ethics complicate the running of a business?	%	%	%
	35	50	15
How adequate are the measures?	66	30	4
Does the organization have a written code of conduct?	87	13	Nil
Is Unethical behavior destructive to organizational values?	83	12	5

Table 2: Survey results expressing level of perception of employees on Ethical conduct within the organization
Source: Author's estimate from survey response.

From table 2, 35% of the respondents say that ethics in business complicates the running of business in Nigeria. This is because they believe that trying to be ethical in an environment with restrictive unethical structuring, poses great challenges and strain in the way businesses are run. 50% of respondents, on the other hand, believe that Business Ethics does not complicate the way businesses are run because if everyone were to understand what should be done and is guided by the companies' codes of conduct, then doing business would be easier because everyone would be operating on level playing field. Complications and strains come in when companies are not sure what their competition would do in a like situation. In other words, it would be easier to do business in Nigeria if companies are sure that if they do not give in to the pressure of giving bribes in order to get contracts, for example, other companies would also do the same. All the contract bidders, in that instance, will, therefore, be assured of equal chances of consideration, in winning the bid as it would be based on merit.

4.3. Adequacy of Measures
In evaluating the adequacy of measures put in place to ensure compliance with ethical standards in organizations, from table 2, 66% of the respondents agree that the measures put in place in their organizations were good, with a further 30% placing it on an average, while a meager 4% indicate that they were unsatisfactory.
The result shows that a good number of the respondents believe that the measures put in place in their organizations were adequate and that the measures would help to strengthen organizational values, checkmate unethical behaviors and improve corporate performance. However, though 66% agree that the measures were good enough, the problem that arises is: why are the companies not complying? Two issues, therefore, surface from the conduct of the study and from our interactions with business owners and employees, firstly, fear of survival due to the culture of corruption in the country and also, secondly, the worry that penalties for non-compliance in most organizations in Nigeria are not applied fairly across the board. As a result of this festering culture of corruption in government agencies and in many private business environments, Nigerian companies often pay careless attention to the issue of

Business Ethics. They believe that there is no way their businesses would survive without giving into the pressures of unethical practices especially as concerns the issue of bribery. They follow the commonplace presupposition that the end justifies the means. Therefore, these companies do not see anything wrong with giving bribes in order to secure contracts. After all, like they sometimes argue to justify their actions, the organizations are simply doing well by employing people, forgetting that, by such disreputable actions, they are actually causing harm to their organizations, to other people and themselves. To explicate, if, for example, an organization has given a bribe in order to secure a contract, the chances of circumstance are that they were not actually qualified for the job; it is safe, thus, to conjecture that they would do a shoddy job which would result in hardships and difficulties to those who may make use of the facilities they have provided. The corporate culture and reputation of the organization would also face the music. Employees who observe these seedy actions by the organization would either copy the wrong actions of the organization or no longer bother using their creativity in making developmental sacrifices for organizational growth.

Also, from the results, 87% of the respondents agreed that their organizations have a written-down code of Ethics while the other 13% said otherwise. 83% of them agree that unethical behavior is destructive to organizations, as against a 12% of respondents who submit differently and a paltry 5% who express uncertainty. If this is so, it remains to be asked, why organizations who are well aware of the destructive nature of unethical behavior and who have a code of ethics still do not comply.

This result, hence, corroborates our theory that organizations in Nigeria, generally, pay lip service to the issue of Business Ethics, which is largely caused, as given by the findings of the research, by some significant factors or drivers that hinder compliance, namely,

- A culture of corruption in the business environment;
- Godfatherism, which is yet another form of corruption, and;
- An unfavourable environment for reporting unethical behavior.

4.4. The Key Factors or Challenges that hinder compliance to Business Ethics

The findings show that the key factors that hinder compliance to Business Ethics in organizations in Nigeria are: the prevalence of corruption, 'godfatherism', and difficulties faced when reporting unethical behavior in organizations. The results are shown in table 3 below:

Factors	**Agree %**	**Disagree %**	**Indifference %**
Corruption	98	1	1
Godfatherism	78	12	9
Do you believe that it is correct to report any unethical issues/compliance violations in the organizations?	91	5	4
When reporting any unethical issues, you saw or noticed, would you like to report it anonymously?	65	35	Nil

Table 3: Statistics showing measure of factors that hinder compliance in organizations
Source: Author's estimate from survey response.

From our investigation, the result shows that 98% of the respondents believe that the culture of corruption in the country is the key reason why organizations give into unethical practices. Organizations are concerned that if they decide to remain ethical, that their competitors who may not be interested in Business Ethics are not likely to do same. They fear that the government is the highest spender and a large chunk of organizations' revenue comes from government businesses. They believe that they would be shortchanging themselves if they refused to compromise their positions since their competitors would most likely give in and secure the business. They tend to forget that it is still possible to do successful business in Nigeria without offering bribes to the government. Most importantly, if a company who has a good product develops a reputation for being ethical the clients would come and stay.

Due to this mindset, that most organizations are going the unethical way and the need for survival, organizations then tend to take the easy way out and tow the unethical line which, in the long run, could be destructive. They then fail to look out for other key factors that can give their businesses a competitive advantage. Things like innovation, creativity, superior services and product delivery are thus put in the back seat. This analysis shows that the greater the issues of fear of survival in view of the culture of corruption the greater the level of non-compliance.

Another key factor or challenge that hinders compliance is the issue of "godfatherism". 78% of the respondents believe that the issue of "godfatherism" is a major factor why organizations and individuals fear to choose ethical options. When an organization or an individual has a godfather either in a government agency or in an organization, the erroneous belief that the organization can get away with any wrongdoing emerges. Such organizations or individuals would also get more jobs, not necessarily due to their competence but because they have a godfather who would make sure they are favored. This result so demonstrates that the greater the level of "godfatherism", the greater the level of non-compliance.

4.5. Challenges in Reporting Unethical Issues

On the issue of reporting unethical behaviors within organizations, 91% of the respondents strongly agree that it is good to report any violation of the codes of conduct, even though, 65% of the respondents prefer to report the matter anonymously because they would rather avoid being put under unnecessary tension and pressure that could lead to there being relieved of their jobs. This shows that the responsibility of reporting breaches of the code of conduct is not strengthened within most of the organizations, and it reflects also the possible presence of a compromised system of evaluating such reports. On the one hand, the organizations have codes of conduct or pretend to have so, but, yet the enabling environment for an ethical framework of value-appreciation is not created, as people are discouraged to report matters that are unethical. Similarly, if management commitment to ethical values seems equally lacking, employees would generally ignore ethical demands, to follow suit. On this basis, an interesting point revealed in the findings corroborates the respondents' opinions such management commitment, in their organizations, was significantly lacking. Respondents believed that penalties for non-compliance were only applied when lower cadre staffs were involved in unethical behavior. Again, it appears that the organizations often desire their staff to be ethical, till a defining moment of truth arrives and the CEOs need to make major decisions; then, they are ready to quickly cut corners, provided their actions would bring more jobs or revenue to the organization.

4.6. The Role of Government in Promoting Ethical Culture

Factors	Agree %	Disagree %
Would you agree that the government has done enough to enforce ethics in Nigeria?	85	15
Do you think government monitoring of firms' ethical codes will resolve sharp practices in business?	71	29

Table 4: Statistics showing perception of government contribution to promoting Business Ethics
Source: Authors estimate from survey response.

The role of the government in promoting an ethical culture in the country is also very crucial. Though the government has created a number of agencies to ensure transparency and accountability, their commitment is clearly lacking. This is seen from the research statistics that show a greater number at 84%, of the respondents, who agree that the role of government in this regard is inadequate. 71% of the respondents are of the view that the government monitoring of ethical conduct in the country will resolve the firm's sharp practices. This position is against 29% who think otherwise. There is, therefore, a clear need for a public and private partnership in this regard.

5. Summary and Recommendations

From the research findings, it becomes clear that most organizations in Nigeria pay lip service to business ethics. Many have existing codes of conduct and are aware of the damaging costs of unethical behavior. However, they find it easier to opt for unethical alternatives because of some obscure apprehension that their businesses would not survive if they failed to join the bandwagon of those employing "all means", whether ethically proper or not, to reaching their end. These organizations often ignore the fact that using the wrong means to achieve a desirable end is harmful not just to their organizations, but also both to themselves and to other people. This is because employees look up to their management to lead by example just as followers look up to their leaders to do the same. When this is not forthcoming, the employees would not be ready to make sacrifices for their organizations just the same way as the citizens would not be ready to make sacrifices for their country if their leaders were not showing a good example. These people would copy wrong actions, and thus, a wrong culture is allowed to breed in the organization and in the society at large. In the very end, everyone, in one way or the other, suffers the harmful effects of unethical behavior. Like Kraus emphasizes, corruption, on a comparative scale, was far worse than prostitution, because while the latter imperiled the morals of a single individual, the former endangered that of an entire institution, organization, or extensively, an entire nation (Gawthorpe, 2010).

As mentioned above, ignorance of the necessity of an ethical approach to one's business dealings, soon steadily destroys creativity, innovation, sacrifice, patriotism, all of which are key ingredients for organizational and societal success. With the festering of corruption in the country's socio-economic climate, the reputation of the country gradually becomes damaged, and the much-needed foreign investments would no longer be forthcoming. Alarmingly, Echekwube (2004) attests in a survey carried out in Nigeria, that only about a meager 10% of Nigerians were not enmeshed in any form of corruption. True leadership ought to place its human resources over and above natural and financial resources, knowing full well that society exists for the sake of the common good, and so, must eschew greed, bribery, corruption and the naked use of power (Eboh, 2004). When all these are not taken to note, over time, the integrity of persons, involved in unethical decisions, is quickly mislaid; and then, soonest, they get carried away with profit-maximization through these unethical channels and become increasingly insensitive to the needs of people around them, blinded in the fog of their selfish quest for gain. The result is that many Nigerians, who were hitherto happy people, become ever more aggressive and selfish. In sum, one disreputable act of corruption or indiscipline sets off a vicious circle of selfish actions, decisions and responses.

Without any doubt, business individuals, business institutions, the generality of the State, as an institution, require amenable ethical standards and frameworks within which the structures of organizational growth and development are built, around values such as justice, fairness, integrity, respect for the dignity of persons, respect for the environment, etc. Like Rawls argues clearly, justice as the first virtue of the social institution must be upheld and expressed in the contextual bases of laws and codes (Oladipo, 1999).

What should be done then in order to curb this trend? The researcher believes that the most important factor needed is right education and enlightenment. Knowledge is power, as Francis Bacon's philosophical metaphor asserts, power to bring positive change and development, within businesses and within countries. Business Ethics must be taken seriously. As a practical measure, it should be introduced into school curricula starting from primary schools, where young minds are formed till formal university education. This is because it is easier and cheaper to train the young than to repair individual mindsets already formed in value-appraisal. In addition, the issue of ethics must be discussed in every forum where business people gather and in various training sessions. On this point, it is often noticed that people and organizations tend to withdraw from forums where business ethics is discussed, probably due to guilt or indifference. Teaching and introducing business ethics within organizations, therefore, becomes pertinent to fostering ethical consciousness. All organizations must not only have a standard code of ethics but must put in place enabling mechanisms to encourage whistle blowing and feedback, thus, making it easier for employees to report unethical behaviors. For example, whistleblowers should be rewarded with incentives, or with a positive affirmation. The country must also learn to celebrate meritocracy and hard work and shun the mediocrity of people who get rich through illegal or unethical business. On this note, the Nigerian government has a huge role to play in curbing corruption and unethical business practice. The leaders must lead by example by showing transparency and accountability in all their dealings. As Achebe (1984) reiterates, the trouble with Nigeria lies simply with the problem of leadership, or the inability of our leaders to rise up to the challenge of personal example, which, he describes, of itself, as a hallmark of true leadership. Government officials who place unnecessarily tight administrative bottlenecks on business transactions must be discouraged from such, as they only engender ambiences for bribery, while incentives should be put in place to reward those who follow the right course of action. As such, the government can partner with the private sector in fighting corruption. One such way to partner is by setting up corruption-monitoring consulting units in various government agencies and assigning credible people to run them. In addition, top management of organizations must try to conquer an artificial skepticism or unreasonable fear of failure from their minds, as concerns the right moral decisions to make, due to the negativity that can breed. Positive thinking and belief in one's self and the important values of ethical living are key ingredients for success. Business managers should endeavor to build competitive advantage by putting forward their best efforts to use resources better and encourage creativity, initiative, critical thinking and innovation. These would lead to higher product quality, which when delivered with superior service would, no doubt, lead to sustainable business success.

6. References

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