Business Ethics and the Sustainability of Businesses in Post Covid-19 in Nigeria

[1]Obo, Ekpenyong Bassey and [2]Ottoh, Emmanuel Okoi
[1,2]Department of Business Management, Faculty of Management sciences, University of Calabar, Calabar, Cross River State- Nigeria

ABSTRACT: *This paper examines the position of business ethics and the crisis impose on businesses by Covid-19 pandemic. It argues that to achieve a sustainable business today, the ethical behaviour of the organizations and their employees must be thoroughly addressed. The paper reviews the challenges of business ethics in business organizations, as well as interventional framework for adopting a responsible business conduct. It further proposes survival approach to business organizations and leaders of business on how to take their business through a sustainable recovery.*

KEYWORDS: ethics, business ethics, ethical behaviour, business sustainability.

INTRODUCTION

Today's business organizations are seen as the largest employer of labour in Nigeria and the world over. They are also viewed as one of the major organs that constantly drive economy of any nation, through the provision of goods and services. To this end, society expects a reasonable ethical behaviour on the part of business executives as they make decisions that affect the lives of other people (Aluko, Odugbesan, Gbadamosi & Osuagwu, 1998). Ethics are set of moral principles or values used by organizations to steer the conduct of the organization itself and its employees in all their business activities both internally and externally (Cole, 2002). Schermerhorn (1989) observed that ethics in business involved "ordinary decency" which encompasses such areas as integrity, honesty and fairness. Behaving in an ethical manner is seen as part of the responsibility of organizations, which itself depends on the philosophy that organizations ought to impact on the society in ways that go beyond the usual profit maximization objective (Ebitu & Beredugo, 2015). Thus, the survival of any business organization sometimes relies on sound ethical code of conduct set to guide both management and employees in their daily activities (Enofe, Ogbeide & Julius, 2015). By this, the importance of ethics in business organization cannot be over emphasized.

The economic crisis confronting the world today as a result of covid-19 pandemic has created series of ethical issues for organizations and their stakeholders/customers. Arising from this, there is a great concern about the quality of ethical conduct in all types of organizations in several countries of the world Nigeria inclusive. Covid-19 is a recent world viral outbreak that has greatly affected the world economy. Consequently, this has led to a drastic change on how businesses

operate and customers behave. This paper, therefore, attempts to explore sound and friendly ethical framework that can sustain business transitions in the post covid-19 crisis.

The concept of ethics
Evidence from extant literature clearly suggests that ethics means a system of moral principles dealing with what is good and bad and with moral duty and obligation. Ethics is also seen as the standard of moral behaviour, that is behaviour that is accepted by society as right versus wrong (Nickels, McHugh & McHugh, 2005). Business ethics concerns the principle that guide business organization's conduct and the values the organization expects to express in certain situations (Bilington, 1988). Musa (2008) argued that business ethics is the behaviour that businesses must adhere to in carrying out their day to day operations within the environment where they operates and probably sometimes outside the operational community. In addition, Heysel (2013), explained that business ethics is a set of guidelines for business people to use to avoid making a wrong decision. Today, most of the businesses that have bad reputation in business is as a result of the fact that they are only interested in maximizing profit (Ogbari, Oke, Ibukunoluwa, Ajagbe & Ologbo, 2016). However, profit maximization is not a wrong thing, but the means by which these businesses carryout their business activities is what raises the issue of ethical behaviour (Collins, 2010). Over the years, it has been observed that most of the businesses that collapsed was as a result of lack of focus on customer service, lack of clear business strategies, and the propensity to over prioritize profit at the expense of commonly accepted ethical practices (Beer, 2009). This therefore call for general concern about the quality of ethical code of conduct in several private and public organizations in several countries of which Nigeria is not an exception.

Forces influencing ethical behaviour in business
Despite the challenges of covid-19 pandemic, several businesses and their employees in Nigeria are confronted with forces that are exerting pressure on them to behave in ways that are ethical or unethical. However, as a business entity or individual the decision to improve on the ethical standard of their businesses in vested on them. Thus, in trying to decide on what is good and bad for the interest of the business and the society at large, several forces that will affect this decision must be thoroughly dealt with. These forces are as follows:

a) **Individual ethical behaviour**: There is a popular saying that charity begins at home. Meaning that an individual must first try to build up a personal code of behaviour by taking into consideration their personal values, ego and strength (Odueyungbo, 2006) in the attempt to make realistic decisions. But if it is not done with all amounts of sincerity it has a way of turning around to influence the person's behaviour. However, at this stage, the individual also tries to align with the rules of the business to avoid unpleasant situations.

b) **Family**: This is one major factor that determines the presence or absence of good or bad in the society or in business. As a child, the family environment plays a significant role in determining what the child learns about good or bad and right or wrong (Odueyungbo, 2006). In addition, where a child is made to have a good understanding of what is good or bad behaviour, such a child will adopt similar behaviour as he grows up. But today businessmen and women are being pressured by their family members to succeed in their various business operation as such pressure may or may not support ethical behaviour.

c) **Law**: The law helps guide businessmen on how to be socially responsible while making business decision (CIPM, 2013). Businesses that fail to follow these guidelines are made

38

to pay fines or any other form of penalties. However, some businesses deliberately break the law and pay fine, especially when cost involved is lower than the financial gain (Zeiger, 2019). Unfortunately, any business that engages in unethical behaviour of breaking the laws that are detrimental to the customer and society at large could be made to face criminal charges.

d) **Manager role:** A manager's role in an organization can make or mar the firm's ethical behaviour either positively or negatively. Thus, managers or leaders of organizations that display unethical behaviour loose honour from their subordinates, while they can implicitly orexplicitly encourage unethical behaviour among their subordinates (CIPM, 2013). This action can create atmosphere of no trust among organizational members, which may also not serve the interest of the business that relies mostly on collaboration and a sense of community (Zeiger 2019).

e) **Business code of ethics**: Over the years, it has been observed as a tradition for businesses to establish their own ethical code. This is because unethical behaviour or conduct on the part of the business organization can endanger its established reputation, public image and goodwill. As a result, most organizations consciously issue specific guidelines/ principles to their employees regarding the operations of the organization, having known that ethical code is the tool that can help an employee overcome several pressures to behave unethically.

f) **Professional body**: Various professional bodies have developed ethical codes that help guide and protect their members from undue pressures to behave unethically while discharging their responsibilities in various organizations. In addition the ethical code help to resolve conflicting interests that may arise between the professional role of employees and the role of the organization they are serving.

g) **Religion**: Can be seen as one of the apparatus used in character molding of an individual. Hence, religious beliefs is so strong that it makes businessmen to be ethically inclined while carrying out their business practice without undue pressure from any quarters.

h) **Society pressures**: Society pressures have a very strong influence on ethics in business. Consumers' action can exert severe pressure on the organization to act honestly and adhere strictly to the ethics of the business.

Ethical challenges in business

In a perfect world, it's always clear what's right or wrong (Lumen, 2020). But in the world of business, activities are often not viewed clearly. This is so because the wrong of one firm can be the right of another firm. That is why ethical challenges in business appears in several forms, such as;

i. **Conflict of interest**: An ethical challenge may arise when two values are in conflict (CIPM, 2013). It could also arise when a person or organization have streams of interests to protect that are not in agreement with one another. Conflict of interest can stiff-neck business operation, especially where the CEO of an organization has a personal interest that does not align with the organizational interest. The CEO will do all he could to actualize his interest, not minding its effect on the organization.

ii. **Honesty and Integrity:** Ethical behaviour in business most times come inform of telling the customer or client the truth or lie in attempt to make them believe that the organizational products are of high standard. This decisions may be based on the issues of honesty and integrity (Lumen, 2020). Honesty is doing the right thing and telling the

39

truth, while integrity goes beyond truthfulness. Having integrity means adhering to deeply felt ethical principles in business situations (Boone & Kurtz, 2005). They further explained that behaving with honesty and integrity inspire trust, and as a result, it can help build long-term relationship with customers, employers, suppliers and the society. Regrettably, there is a massive violation of honesty and integrity in this post covid-19 era. Many of the businesses engages in a number of unethical activities, such as re-packaging of expired products for sales,also making available to consumers very poor quantity and substandard products, deliberate downsizing of work force and slashing of workers' salary, indiscriminate hike in prices of goods and services, harassing workers sexually to retain job and other forms of corrupt practices.

However, organizations that value honesty and integrity, make them part of their culture. In this type of atmosphere lack of trust and suspicion among directors, managers, employees and customers can easily be eradicated.

iii. **Bribery**: Is a deliberate act of giving money, goods, or other forms of compensation to a recipient in exchange for an alteration of their behaviour (in the interest of the giver) that the recipient would otherwise not alter (Lumenlearning, 2020). In business, bribery take different forms, such as free advertising, foods, unnecessary discount, favours, donations and sponsorship, unmerited promotion, reward and gift. These bribes are given in exchange for assistance (Ebitu & Beredugo, 2015). It also encourage the other person to cooperate in the unethical activities. It is for these reasons that business organizations prohibit their personnel from accepting any form of gift from client.

Interventional framework for business sustainability

The covid-19 pandemic has created a drastic change in the business climate of every country in the world. Therefore for sustainability sake ethical behaviour and the need to work with ethics of business by business organizations called for serious concern. Especially in the face of economic down turn facing business organizations in the growing countries (Kasasbeh, Harada, Osman and Aldalayeen, 2014). In addition, improving the ethical climate of an organization enhances and preserves its reputation, inspires loyalty and advertises it (Ebitu & Beredugo, 2015). Despite all these, most organizations and their members out of personal desire feel pressured to cut corners, break rules, and engage in all manner of questionable business practices to the detriment of the society (Robbins and Judge, 2007). Thus, it is pertinent to examine the relevant interventional framework needed to enhance business sustainability. These interventional framework are briefly discussed.

a. **Ethical guidelines and appraisal**: For fairness, it is important for organizations to develop unique ethical guidelines that will help them regulate the behaviour of organizational members, and also appraise their behaviours and actions over an agreed period of time. Members with good ethical behaviour should be rewarded, while those with erring behaviour should be cautioned or punished.

b. **Ethical training and dialogue**: Constant training in form of workshops, conferences and seminars is one method that can enhance the ethical behaviour of organizational members regularly. It will also assist in inculcating high ethical standards into their reasoning and behaviour. Also, it is advisable to ethically dialogue with members at regular intervals such that it will make room for excellent behavioural atmosphere for effective business practice.

c. **Protect members from victimization**: In organizations, one major challenge confronting members in ethical management is the fear of the repercussions of exposing illegal

practices going on in their organization. As a result, members must be guaranteed of safety and protection from possible victimization by colleagues and superior officers with deviant attitude, since in Nigeria there is no specific law that out rightly protect such organizational member. Additionally, organizations that are willing to abate unethical practices should make available ethical complain box, stationed in an easily accessible strategic place in the organization.

d. **Be a transparent manager:** Directors, CEO, managers and supervisors should as a matter of fact operate and lead by examples. That is managing by transparency, accountability, sincerity, honesty and integrity in both internal and external activities. This will help in boosting the confidence and trust of the employees in their superior officers, as well as trying to emulate them by being transparent in the discharge of their duties. More so, it will create a conducive ethical atmosphere where workers discharge their responsibilities with all fairness, and without fear of what is ethical or unethical.

e. **Drafting and approval of ethical code**: In every organization, workers at all levels should be given opportunity to participate in the drafting and approval of ethical codes of behaviour. This will give them a sense of belonging, especially in making a decision that have direct bearing on their attitude. By this, they will be more committed to abide and implement the decision than the ones made by top management and imposed on them, which may be seen as foreign to them.

f. **Image of the business:** The hardship experienced by members of the society across the world due to the fall outs of covid-19 pandemic serve as eye opener to the society on the behaviour of the businesses to their societal obligations. Therefore, business organizations that are lacking ethics in their operations may likely lose credibility, and a large number of major customers. The businesses that were struggling to survive before the covid-19 pandemic due to their unethical practices, and the ones that join them recently and others at the point of joining them should have a re-think, because they are operating in an open market where the customers have a choice to make. It is always difficult to win customers back when they withdraw their loyalty due to unethical activities. Arising from this, these organizations should engage in aggressive image re-branding to restore customers' confidence in their goods and services, also see them as trust worthy organizations.

Business survival approach in post covid-19 pandemic
Covid-19 has brought a drastic shift in the face of doing business in the world today, such that for businesses to stay alive, it requires a contingency approach to their mode of operation. Based on this, most businesses urgently embraced electronic process of doing business, which many business organizations never saw this coming. However, for a business to remain relevant in the market place several issues must be taken into consideration. These includes

a) **Evaluate personnel cost**: With the sharp fall in business activities and low revenue resulting in less cash flow experienced by businesses, there is need to cut cost by evaluating personnel cost of the organization and the possible action to be taken. Such action may include;
   i.   Reducing the workers remuneration by certain percentages then and maintain the existing workforce
   ii. By disengaging specific percentage of highly paid managers and replacing them with lowly paid manager trainees.

41

b) **Encourage employees**: Provision of palliatives and other forms of support to help employees is very necessary at this point to help them overcome both physical and emotional challenges of the pandemic. Also, this will enable employees discharge their responsibilities with the right frame of mine.

c) **Open communication**: The communication channel of the organization with the customers or members of the society must be open, such that these stakeholders are constantly updated as regards new developments, policies and procedures as it affects business transactions.

d) **Quality and quantity of service offered**: To maintain customer loyalty, the quality and quantity of goods and services offered to the society must correlate with the cost.

e) **Ensure steady service delivery**: Organizations must ensure that there is no break in operations by making sure that the operational process for both conventional and electronic business are clearly streamlined for effective service delivery.

CONCLUSION

In recent times, we have witnessed world economy, nations and business as being devastated by Covid -19 pandemic. This is a wake up call for business organizations and leaders of business to re-examine their business conduct. It is also important to note that ethical conduct of a business is critical for its survival in crisis of this nature. Therefore, managers and organizational leaders should re –appraise and harmonize their code of ethics to be customer and society friendly.

References

Aluko, M., Odugbesan, O., Gbadamosi, G. & Osuagwu, L. (1998).*Business policy and strategy*. Lagos: Pumark Nigerian Limited (Educational Publishers).

Billington, R. (1899). Living philosophy; *An introduction to moral thought*. London: Routledge.

Boone, K. E. & Kurtz, D. L. (2005).*Contemporary Business*. USA: South Western.

Chartered Institute of Personnel Management of Nigeria (2013). Study pack on business administration. Lagosl: CIPM Nigeria.

Cole, G. A. (2002). Management theory and practice. London: Martins, the Printers Limited.

Collins, D. (2010). Designing ethical organizations for spiritual growth and superior performance: An organization systems approach.*Journal of Management, Spirituality and Religion,* 7 (2), 95-117.

Ebitu, E. T. & Beredugo, S. B. (2015).Business ethics and the performance of service firms in Calabar, Cross River State, Nigeria. European Journal of Hospitality and Tourism Research, 3 (2), 28-38.

Enofe, A. O., Ogbeide, O. L. & Julius, O. (2015).Business ethics and corporate growth.*European Journal of Business and Management,* 7 (5), 139-148.

Heysel, P. (2013). *The effect of a corporate culture of ethics on shareholder wealth maximization (Applied project).*

Kasasbeh, E. A., Harada, Y., Osman, A. B., & Aldaleyeen (2014).The impact of business ethics in the competitive advantage (in the cellular communications companies operating in Jordan).*European science Journal*, 10(10), 269-284.

Lumen Learning (2020).*Business ethics and corporate social responsibility*. Lumenlearning.com

Musa, A. O. (2008). Perceived rule of ethics and social responsibility in the insurance industry: Views from developing country. *Journal of Knowledge Globalization,* 1 (2), 41-59.

Nickels, W. G., McHugh, & McHugh, S. M. (2005).*Understanding business.* New York. The McGraw Hill Companies Inc.

Odueyungbo, F. (2006).*Business management:a A practical approach*. Lagos: Nolachid Associate

Ogbari, M. E., Oke, A. O., Ibukunuluwa, A. A., Ajagbe, M. A. & Ologbo, A. C. (2016). Entrepreneurship and business ethics: Implications on corporate performance. *International Journal of Economics and Financial Issues,* 6 (53), 50-58.

Schermerhorn, J. R. (1989). *Management per productivity*. New York: John Wiley.

Zeiger, S. (2019).*Effects of a lack of ethics on a business environment*. Business Chron. Com.