SUSTAINABLE BUSINESS ETHICS AND CORPORATE COMPLIANCE IN NIGERIA

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Abstract: The issue of ethics is vital in all association be it private or public. This is on the grounds that every organization is supposed to be guided by certain rules of conduct that treat every member of the organization and stakeholders especially the customers in an elevating way. This study examines sustainable business ethics and corporate compliance in Nigeria. The work examines some ethical issues in business practices. The discussion on business ethics in Nigeria, like in other countries, is crucial to development and its ramifications given the fact that businesses that are conducted ethically are more likely to create value in the society than businesses that are conducted without moral values. Therefore, in societies where business ethics do not flourish, there are bound to be problems that consumers and many organizations would have to contend with. Thusly, in social orders where business ethics don't thrive, there will undoubtedly be issues that purchasers and numerous associations would need to fight with. Discoveries show that there is connection between ethics and performance of business organizations. It is proposed that business leaders and owners should understand that in order to win public trust, they should pay attention to ethics and impose on themselves the responsibility of professional ethics. Conclusion is drawn that businesses which operate ethically reap many rewards in the form of wining public confidence, attracting customers, retaining employees and improve performance.

Keywords: Business Ethics, Ethics, Unethical Practices.

Introduction

The issue of ethics is vital in all association be it private or public. This is on the grounds that every organization is supposed to be guided by certain rules of conduct that treat every member of the organization and stakeholders especially the customers in an elevating way. For any association to achieve its put forward objectives, the issue of ethics should not be taken care of with levity. Association can't overlook ethics but instead it ought to be coordinated into their day by day tasks in light of the fact that authoritative ethics assume huge part in the fulfillment of hierarchical destinations. In spite of the fact that, having ethics qualities in an association is vital, its consistence with respect to the associations is taken care of with levity (Adeyeye, Adeniji, Osinbanjo and Oludayo, 2015). Ethics has to do with what choices taken by the associations mean for others and the associations too. Ethics is "worried about what is acceptable, and what is wanted or favored human lead" (Etuk, 2009). Ethics is worried about contemporary standards or standard of lead that oversee the relationship among people and their organizations Business Ethics then again is the use of moral standards and strategies for examination to business. In recent many years business ethics has been given due significance in business, trade and industry. Advancement of culture of morals is an objective, and it is progressively being understood that it is the bedrock of good administration which eventually re-ingrains the certainty of the partner in the organization. Business ethics comprise the moral/moral standards and difficulties that emerge in a business climate. A portion of the spaces related with business ethics incorporate the accompanying:

I.   Accounting: Creative accounting, Earnings management, Financial analysis, Insider trading, Securities Fraud, Facilitation payment.
II. Marketing and Executive sales: Price fixing, price discrimination, green washing, spamming, using addictive messages/images in advertising, Marketing to children, False advertising, Negative campaigning.
III. Human Resource Management: Executive compensation, Affirmative action, Workplace surveillance, Whistle blowing, Occupational safety and health, Indentures servitude, Union busting, Sexual Harassment, Employee raiding.

Ethical compliance is necessary for proper functional of an organization (Adeyeye et al., 2015). The significance of ethical compliance in association has been anxious by numerous researchers. Among these researchers are Ebitu and Beredugo (2015) which noticed that each association should try to be ethically straight forward as the productivity of an association regularly time relies to a great extent upon their ethical compliance. Solid ethical compliance furnishes representatives with establishments for contemplating ethical issues and furthermore assists clients with building more trust in the association which may likely finishes to better clients' faithfulness and support. Ethical compliance is portrayed by association recognition of qualities like trustworthiness, genuineness, decency, great client worth and value in relational and proficient relationship in regard to pride, variety and the right of individual and gatherings of individuals among others. Uprightness is the basic rule that should be maintained by Companies in their managing clients, workers, the general public, investors just as different individuals from the association. This goes far to influencing the discernment about the organization. Along these lines the part of moral consistence in hierarchical benefit can't be overemphasized. Regular, directors and entrepreneurs settle on choices dependent on what they accept to be good and bad. Through their activities, they show to their workers what "are and what are not" satisfactory practices that shape the ethical norm of the association. Society expects a sensible moral direct with respect to business pioneers as they settle on choices that influence the existences of others. Organizations are required to work morally directly from the creation to conveyance of their labor and products. They should maintain their guiding principle consistently and work ethically. The thought behind ethical activity is that it makes an association win the certainty and backing of people in general; draw in and hold great workers and give clients fulfillment. To crown everything, when associations work ethically, they stay away from government dissatisfaction or endorse but instead, keep up with cheerful relationship with the public authority. All these may likely translate to an increase in business performance.

Concept of Ethics

The meaning of ethics is difficult to nail down and sees numerous individuals have about ethics are flimsy. In one sense ethics is characterized as a part of the rational idea that frets about the ethical idea of good and bad (Ayodeji 2006). Solomon (1994) saw ethics as about accomplishing an existence of honor and honesty. Ethics is a bunch of good norms for deciding whether something is correct or wrong (Gitman and Mc Daniel 2002). Lewis et al (2005) see ethics as the set up traditions, established customs and major human connections that exist all through the world. It is seen as a bunch of lawfully determined codes, as a rundown of do's and don'ts for the organization leaders that must be followed (Kazmi 2003). Stoner (1995) considers ethics to be what our choices mean for others. It is the investigation of individuals' privileges and obligations, the ethical guidelines that individuals apply in settling on choices and the idea of the relationship among individuals.

In Webster's 10th university word reference, ethics is characterized as 'the control managing what is acceptable and awful and with moral obligation and commitment'. From the above definitions/clarifications, we find that ethics alludes to statutes that a general public views as sure or negative for figuring out what ought to or ought not be done in specific conditions. Numerous individuals liken ethics with their sentiments. Being ethical is obviously not an issue of following one's sentiments. An individual after their sentiments may cease from making the right decision (Baumhart 1968). Feeling every now and again veer off based on what is ethical (Velasquez, 1987). Nor should one recognize ethics with religion as it would just apply to strict individuals. Being ethical is likewise not equivalent to adhering to the law. The laws frequently fuse ethical guidelines to which most residents buy in and laws like inclination can go astray based on what is ethical (Oghene and Yomere 2008). At last being ethical isn't equivalent to doing whatever the general public acknowledges. In any society, most people accept standards that are in fact ethical, but standards of behaviour in society can deviate from what is ethical. Moreover, if being ethical means doing whatever a society accepts, then to find out what is ethical, one would have to find out what society accepts, but no one ever tries to decide on ethical issues by doing a survey (Oghene & Yomere 2008).

Business Ethics

At the point when ethics are applied to business, they become business ethics (Ayodeji 2006). Business ethics works as an arrangement of significant worth and is concerned essentially with the relationship of business objectives and methods to explicitly human closures. This human finishes mean survey the necessities and yearnings of people not only as people yet as a piece of society. It implies acknowledgment of the individual respect of people. Lewis et al (1995) applied the overall ethical principles to business behaviour hence: If a general

public considers defilement and unscrupulousness to be untrustworthy and improper, then, at that point any one in business who is bad and deceptive with representatives, clients, loan bosses, investors or contest is acting dishonestly and unethically. Business ethics are formed by close to home decisions and the conditions in which we live and work. Since the laws of our general public are guide posts for picking among good and bad, it is the assignment of administration to instill individual qualities and import a feeling of business ethics to the authoritative individuals. Business ethics has generally been considered to incorporate guiding principle, like trustworthiness, trust, regard, and decency into vital administration, strategy making, rehearsing the executives, and dynamic. The viewpoints individuals hold about the motivation behind business influences ethical practices. Indeed, there have been varying viewpoints about the reason for business in a general public; rationalists and others have conflicted. Some proposes that the chief reason for a business is to expand gets back to the proprietors or investors. Some point out nonetheless, that personal responsibility would in any case require a business to submit to the law and cling to essential good guidelines, in light of the fact that the outcomes of neglecting to do as such could be exorbitant in fine, loss of licenses, or organization notoriety. Friedman was a main advocate of this view (Wikipedia, 2007). Different scholars fight that a business has ethical obligations that broaden well past overhauling the interest of its proprietors or investors, and that these obligations comprise of more than just submitting to the law. They accept a business has ethical obligations to be called stateless individuals who have an interest (partners) in the lead of the business (workers, clients, sellers, the nearby local area, the general public is overall) and the right of administration (Oghene and Yomere 2008)

Statement of the Problem

Each individual is affected by no less than three conditions – political, social and moral (Umoh 2000), whether in business, government, or any other enterprise, they are equally concerned with ethics (Weihrich and Koontz 2005). Before now business organizations in numerous nations were arraigned for sharp practices. Moral disappointments absolutely assumed a part. While it stays not yet clear whether and the number of individuals glaringly overstepped the law, there are plentiful indications of different types of possibly deceptive conduct. The degrees of untrustworthy direct in many business organization smell to high sky (Aluko, 1998). Exploration proof shows that all organizations are helpless against a showcase of dishonest practices by their workers (Hitt, Ireland and Hoskisson, 2001). Contemptibility, absence of trust, insolence, misrepresentation and injustice is turning into the other of the day. The creation and offer of inadequate, phony and contaminated merchandise are on the expansion, cheating, swelling and value war, storing to make fake shortage and unfortunate rivalry are acquiring a lot of ground. False honor of agreements, everything being equal, payoffs 10%, witch-chasing, and pay off are extremely articulated among organizations working in Nigeria. Laborers work on risky and dangerous conditions, they are employed and terminated, paid anything and whenever. These are only a couple instances of moral and good issues influencing organizations in Nigeria. Would it be a good idea for one to offer an incentive to acquire a business contact in another association? Is it worthy to permit your organization to arrange off perilous waste in a risky way or to contaminate the climate? Is it nice to retain data that may be helpful to a task competitor from joining your association? Is it fitting to lead private issue on organization time? Once in a while chiefs deal with the issue of taking convenient choice on moral issues influencing their associations. Maybe the deficiency of guiding principle and these dishonest practices are among the contributory components for the horrible showing of business in Nigeria. In addition, it is claimed that the helpless degree of moral consistence among organizations affect their profitabilities. Therefore, this study examines sustainable business ethics and corporate compliance in Nigeria.

Objectives of the Study

The major objective of this study is to examine sustainable business ethics and corporate compliance in Nigerian business environment.

Research Questions

1. What are sustainable business ethics needed to achieve business objectives?
2. How can these ethics achieve corporate compliance?

Literature Review / Conceptual Framework

The word "ethics" has been defined by many scholars. Ethics according to Cole (2002) as a set of moral values adopted by organisation to steer the conduct of the organisation itself and its employees in all their daily operations both internally and in relation to the outside world. Ethics can also be viewed as ordinary decency which comprises moral values such as honesty, integrity, fairness and responsibility (Schermerhorn, 1989). Furthermore, because of the critical role ethical compliance play in an organisation, some studies have been carried out.

Ogbonna and Ebimobowei (2011) investigated ethical compliance by the accountant on the quality of financial reporting and performance of quoted companies in Nigeria. The study was guided by five hypotheses and the sample for the study comprised twenty companies from five sectors quoted in the Nigerian Stock Exchange. A five point scale questionnaire developed by the researchers was used in data collection and data obtained were analysed using descriptive statistics and Spearman rank correlation. The findings revealed that compliance by the accountant in terms of integrity, objectivity, honesty compliance positively and significantly affected the quality of financial reports and performance of organisations. Adeyeye, Adeniji, Osinbanjo and Oludayo (2015) examined the effects of etiquette and unethical behaviour on employee commitment and productivity in Nigeria. The study adopted a descriptive survey research method. Data were collected using questionnaire administered to 111 employees in Government Establishments, Organized Private Sector, Indigenous, Asian and Lebanese Companies operating in Ikeja, Oshodi, Ikorodu, Isolo and lganmu Industrial Estates of Lagos State, Nigeria. The data obtained were analyzed through Structural Equation Modelling and supported by descriptive statistics. The results showed that significant relationship exists between ethical standards and organisational productivity in Nigeria and that integrity cum discipline have significant impact on improved productivity level of the organisation. Ebitu and Beredugo (2015) investigated the relevance of code of ethics on guiding the performance of service industry and examined also their compliance level on the established code of ethics. The design of the study was descriptive research design. The sample of the study consisted of 176 respondents cutting across selected Banks and GSM firms in Calabar, Cross River State. Data were analysed using frequency, percentages and Chi-square. Results revealed that effective performance of service industry was dependent on code of ethics. Mcmurrian and Matulich (2006) conducted a study on building customers value and profitability with business ethics in Tampa USA. Customers value was seen in two components of customers revenue and customers cost in terms of benefits when there is proper utilization of product and relationship between the company's representatives and customers. In a meta-analysis, they summarized 52 research projects examining the correlation between customer value and profits. The results were encouraging for those supporting a positive linkage between the two variables. Of the 52 studies examined, 33 studies indicated a positive correlation between customer value and profitability, 14 studies reported no effect or were inconclusive, and five indicated a negative relationship. In conclusion, it was realized that, the greater the positive value of the product by the customers, the higher the organization's profitability.

Importance of Business Ethics

Directors, managers and particularly entrepreneurs, ought to comprehend that to be allowed to stay self-governing and private; they need to force on themselves the obligation of expert ethics. Business focus on ethics in light of people in general anticipates that a business should show significant degree of moral execution and social duty. Oghene and Yomere (2008) reports that the reason for ethic in business is to guide financial specialists and ladies to maintain a set of accepted rules that works with, if not energizes, public trust in their item and administrations. Numerous ethics guidelines work to ensure society against different sorts of damage, and business is required to notice these ethical standards. High ethical principles likewise ensure individuals who work in an association.

People feel good about working for an ethical company because they know they are protected along with the general public. Many strategic management decisions, such as investment in human resources, modernization, product and service developments, marketing, environmental issues and executive salaries, involve ethical questions. Individuals have a positive outlook on working for an ethical organization since they realize they are ensured alongside the overall population. Numerous essential administration choices, like interest in HR, modernization, item and administration improvements, promoting, natural issues and chief pay rates, include moral inquiries. Numerous association utilize moral preparing project to acquire a competitive edge, increment representative attention to morals in business, dynamic, and assist workers with being appealing to moral issues to which they might be uncovered.

Unethical Business Practices

Unethical Business practices are the kind of practices that are deceptive, exploitative and dangerous to human life and existence. They are those actions that don't conform to the acceptable standard of business operation, doing what is right in every circumstance (Drucker, 1973). Unethical business also means criticisms of marketing. The various social critique of marketing can be classified into those alleged to hurt individual consumers, society as a whole and other business firms (Kotler, 2003). There are many instances where businesses act within the law, but their actions hurt society and are generally considered to be unethical. Example, there are various ways that businesses engage in an unethical conduct, exploiting their workers, their customers, and even the public at large. In some cases it may be an individual within a business who is unethical in the cause of his/her job, and other times we are talking about corporate culture, where the whole business is corrupt from the top down, with disastrous result for the society. Unethical business practice can destroy business's reputation and possibly lead to legal troubles (Rahman, 2008). Some of the unethical business practices are:

1. Misleading Product Information
2. Unfair Business Competition
3. Mistreating Employees
4. Manipulating Accounts
5. Bribery
6. Misusing business resources including time
7. Sexual Harassment
8. Poor Working Condition
9. Defamation
10. Exploitation

Business Ethical Compliance and it's sustainability

Compliance means the complete alliance of various parts of the business – whether commercial, financial, or regulatory. It necessitates following the rules, both external and internal. Compliance with law and regulation must be managed as an integral part of any corporate strategy. Compliance with the requirements of law through a compliance management programme can produce positive results at several levels.

Sustaining ethical compliance in business organisation is abiding by certian principles. These Principles are :

Honesty: This principle state that it is necessary to be honest in all communications and actions, because ethical principals are, above all, trustworthy and honesty is the cornerstone of trust, they are not only truth they are honest and sincere. If we talk about ethical principals it is clear that they do not deliberately mislead or deceive others by making false statements, exaggerations, partial truths, selective omissions, or any other means and when needed reliable information relevant and correct wrong impressions actually.

Integrity: According to this principle maintain personal integrity is very important due to the fact that earning the trust of others is made through personal integrity. Maintaining the integrity often requires moral courage, inner strength to do the right thing, even if it may cost more than they want to pay.

Keeping promises: Ethical principals can be trusted because they make all reasonable efforts to meet the letter and spirit of their promises and commitments, they do not interpret agreements in an unduly technical or legalistic, to rationalize failure or create justifications to escape their commitments.

Loyalty or to be loyal in other ethical principles: Ethical principals place a high value on protecting and promoting the interests and legitimate expectations of companies and their peers. Even if in some cases the principle of loyalty is used as an argument for a wrong solution, in case of the ethics principles it is important not to put loyalty above other ethical principles. A common situation is when an employer decides to accept other jobs, ethical principals provide reasonable notice to comply with their former employer's proprietary information, and refuse to engage in activities that would take unfair advantage of their previous positions.

Correctness or strives to be fair and just in all dealings: Fundamental do not exercise their power arbitrarily and do not use deception or indecent means to obtain or retain an advantage or to take unfair advantage of another's mistakes or difficulties. Ethical guidelines show a commitment to justice, equal treatment of persons, tolerance and acceptance of diversity.

Care: Ethics principles imply to demonstrate compassion and a genuine concern for the welfare of others, trying to accomplish business goals in a way that causes the least harm and the most good.

Respect for others or treating everyone with respect: Ethical principals demonstrate respect for human dignity, autonomy, privacy, rights and interests of all who have a stake in their decisions; they are polite and treat all people with equal respect and dignity, regardless of sex, race or national origin.

Respect the law: Ethical principals comply with the laws, rules and regulations relating to their business activities.

Concern for excellence: Ethical principals pursue excellence in their duties, are informed and prepared, and constantly strive to increase competence in all areas of responsibility.

Leadership which exemplifies the honor and ethics: Ethical principals are aware of their responsibilities and opportunities driving position and try to be good role models for their own ethical conduct and helping to create an environment where principled reasoning and ethical decision making are highly appreciated.

Reputation and morale: Ethics executives understand the importance of their own and their company's reputation and the importance of proper pride and morale of employees. The last principle is Responsibility. Ethical principals recognize and accept personal responsibility to ethical quality of their decisions and omissions to themselves, their colleagues, their companies and communities.

CONCLUSIONS

The road to success for companies in today's economic environment is more demanding than ever and the capacity of adapting to the rapid changes is compensatory in order to resist on the market. The managers struggle, daily, with increasingly complex problems, caused by fierce competition in the market but also from the rising demands of customers. In this context, business owners are tempted to pick an easy way, a shortcut, which will give them an advantage over the competitors. Usually this shortcut is in contradiction with the request of ethics and deontology in business, however many business owners ignore this situation and choose to make short-term profit. The need for ethical behavior from all parties involved comes also from the human evolution point of view, considering that correct competition bring more innovative ideas and more benefits for companies and their clients.

The way to progress for organizations in the present financial climate is more requesting than any other time in recent memory and the limit of adjusting to the fast changes is compensatory to oppose available. The supervisors battle, every day, with progressively complex issues, brought about by savage rivalry on the lookout yet in addition from the rising requests of clients. In this unique situation, supervisors are enticed to pick a simple way, an alternate way, which will give them a benefit over the contenders. Generally this easy route is in inconsistency with the solicitation of morals and deontology in business; be that as it may numerous chiefs disregard the present circumstance and decide to make momentary benefit. The requirement for moral conduct from all gatherings included comes additionally according to the human development perspective, taking into account that right rivalry brings more imaginative thoughts and more advantages for organizations and their customers.

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