

EMPLOYEES AND COMMUNITY MEMBERS' RATINGS OF ETHICAL PRACTICES BY LARGE SCALE BUSINESS ORGANIZATIONS IN CROSS RIVER STATE.

Ajuluchukwu, Eunice Ngozi & Okute, Agnes Lawrence
*Department of Vocational Education,
Faculty of Education, University of Calabar, Calabar.
+2348036207487*

ABSTRACT: This study determined employees and community members' ratings of the extent of ethical practices by large scale business organizations in Cross River State. The extent of ethical marketing practices and ethical labour practices were studied. Two research questions guided the study while two hypotheses were tested at 0.05 level of significance. The study was carried out in the 18 Local Government Areas in the State. The survey research design was used for the research. Two sets of questionnaires were used for data collection. The instruments were validated by three experts. The reliability of the instruments were determined by means of split half reliability technique. The reliability co-efficient of the questionnaires were determined using Pearson product moment correlation analysis. The reliability co-efficient of questionnaire A is 0.85 while that of questionnaire B is 0.82. The population of the study is 2241. This population included 578 community members in the State and 1663 employees from the six organizations studied. The sample for the study is 466. This comprised 216 community members and 250 employees. The sampling technique used was the three stages multi-stage sample method. Data collected were analyzed using weighted mean scores for the research questions, One Way Analysis of Variance for hypotheses 1 and z-test statistics for hypothesis 2. The findings from the study revealed that the large-scale business organizations in Cross River State practise ethical marketing practices and ethical labour practices to a small extent. Some recommendations were made which included that business organizations should sell acceptable products and treat customers and staff with respect, instead of giving importance only to those areas where they have material interest.

Keywords: Employees, community members, ethical marketing practices, ethical labour practices and business organizations.

INTRODUCTION

Ethics is the basic concept and fundamental principle of decent human conduct. Several individuals have defined ethics variously however the central issue is that, ethics is the moral values that direct somebody's behaviour or the performance of an activity thus it is concerned with what is good for individuals and society. Cavalier (2013) defined ethics as a set of concepts and principles that guide individuals in determining what behaviour helps or harms sentient creatures. Cavalier noted that ethics is concerned with other peoples' interest and the interests of the society. Thus, when people think ethically, they are giving at least some thoughts to something beyond themselves.

Alan (2013) suggested several ways business organizations can promote ethical climate to include, establishing clear expectations of ethical conduct, setting examples from the top, providing feedback,

coaching, supporting ethical behaviours, recognizing and rewarding behaviors that support organizational values. He noted that ethics is a standard of conduct and a moral compass which can be applied to a range of situations. Ethics therefore involves, evaluating personal values, knowledge of personal standards, community and universal principles, choices and the impact of these choices on others and oneself, both short- and long-term consequences, and accepting responsibility for the choices one makes.

Ethics according to Juricek (2014) is a set of values or ideals of human behavior that rule the behaviour of people or business organizations. Juricek observed that business people rely upon their own consciences in making business decisions, falling back upon their own moral and religious backgrounds for guidance. Business people are also affected by their superiors and immediate colleagues when making business decisions and may feel pressurized to behave unethically when seeking to make profits. Pressures from society often force organizations to come up with procedures to act ethically. Businesses these days have to balance their desire for maximizing profits with the needs of the stakeholders. Ethically individuals or organizations have to act in such a way as to benefit the society. Thus, the action of an individual or group needs to benefit the whole society in a way as to have equilibrium between economic growth and the welfare of the society and the environment. Thus Mahajan (2011) cited in Ajuluchukwu (2018) asserted, there is presently a growing awareness among enterprises that sustainable business success and shareholder value cannot be attained only through maximizing short-term profits but instead through market-oriented yet responsible behaviour and this can be assessed through the businesses' ethical marketing practices and ethical labour practices.

Ethical marketing activity is done by organizations that ethically market to consumers. Ethical marketing is an approach to business and investment where an organization seeks to maximize profit and return on investment while minimizing and avoiding where possible negative social effects. Ethical marketing, deals with the duties of an organization to ensure that the process of exchange of goods and services do not cause harm. This they do by placing higher value on their customers and respecting them as people who are ends in themselves. They do not try to manipulate or falsely advertise to potential consumers. Traditional profit-centred organizations seek to maximize profit and return on investment with no particular regard to how the profits are made and what the social effects of their business activities are. Dergisi (2014) posited that in the contemporary economic environment, organizations are pressured with the communication system to ensure that customers get correct marketing messages. Thus, some corporations may try dishonorable ways. This could be making low quality products, unfair pricing, deceptive publicity and

misleading wrapping. Of which aim may be to top in the competition. It can also be to challenge and effect consumers' buying behaviour so as to gather a bigger portion from the market segment.

Dergisi observed that over the past few years, manufacturers are progressively using numerous wrapping practices in order to misinform customers. Firstly, packaging sizes and the similarity between packaging size and its content often differs. Alike strategies such as adding gifts with the intention to make consumers think that there is bigger amount of the product. Another way is designing packaging to imply wrongful or deceptive message. In addition, manufacturers copy other producer's packaging so as to imply a certain geographic provenance or worth of the product. Lastly, the price may be incorrectly specified or not indicated in the packaging. Unfair pricing is also a burning consumerist issue since pricing is the most sensitive issue to the consumers. Ethically, price should be equal or proportional to the benefit which the consumers receive.

Ethical labour practice is another aspect of businesses' ethical practice. Ethical labour practices cover those ethical issues arising around the employer-employee relationship, such as the rights and duties owed between employer and employees. Organizations practice ethical labour practices when they treat employees fairly and ethically. This is done when organizations ensure good working conditions, workplace environment that is safe, hygienic and humane which upholds the dignity of employees. They should uphold social dialogue and security at work place. Respect for employee's rights and welfare should prevail. There should be just and favorable working conditions, including a limit to the number of hours a human should work each day and a healthy working environment.

Ethical labour practices also include adhering to Minimum age range and not being gender bias. Onwuegbuchi (2009) observed further that many organizations in Nigeria are driven by the need to make more and more profits to the detriment of all the stakeholders. That some do not adequately respond to employees' welfare. That, in terms of ethical labour practices cheap labour is often preferred by some business organizations. A business organization according to Woodward (2019) is an entity aimed at carrying on commercial enterprise by providing goods or services, to meet needs of the customers. The different forms of business organizations are Sole Proprietorship, General Partnership, Limited Partnership, Corporations and Limited Liability Company. Common criteria for classifying an organization as Large-Scale business organization according to Gillian, Julie and Megan (2011) includes: large number of employees, substantial total assets and revenue. They went further to note that large scale business organizations must have substantial profit, dominant market share and large-size operations and can have multiple business locations. The general characteristics of large-scale business organizations include

formulation of strategic objectives, undertaking strategic planning, adoption and documentation of formalized policies, procedures and rules among others (Gillian, et al.). Australian Bureau of Statistics in Gillian et al. further opined that while a large-scale business organization is owned and based in a particular state, it can operate in many other states within and across a country and has complex management structure. Large scale business organizations have many stakeholders such as owners, administrators, unions, workers, consumers, suppliers and the host community members.

Cross River State has many large-scale business organizations that operate in it. The present study will however concentrate on the following six large scale business organizations United cement company (Unicem), MTN Nigeria limited, Transcrop Metropolitan Hotel, Dozzy Oil and Gas limited, Peace Motors and First Bank Nigeria Limited. These organizations have so many employees made up of both management staff and other cadre of staff. There are also many male and female employees in these organizations. These male and female employees spread across all cadres of staff. The community members in Cross River State are made up of spokes men and women who are typically called community leaders, many talented and powerful youth leaders in the different local government areas. The state also has several political ward councilors. According to Awassam (2013) Cross River State is currently amongst the areas in Nigeria viewed as the five developing business states in Nigeria. That the headlines presented of Cross River State, in the last few years have been a harvest of good news. These positive broadcasting vibes show that Cross River State has become the new asset center of Nigeria, nay Africa he concluded. With numerous large-scale business organizations flourishing in the State the researcher saw the need to determine their ethical practices.

STATEMENT OF THE PROBLEM

Many corporations use ethical practices as strategic tactics to gain public support for their presence in the community. Adhering to Ethical practices improves a business organization in social respects and creates an environment of health and safety practices at the workplace and the society at large. The benefits of ethical practices are immense for large scale business organizations, the community and the employees. With presently several cities in cross river state witnessing the presence of large-scale business organization, the researcher thus see the need to determine how ethical these organizations are in their practices. To this end this study is conceived.

PURPOSE OF THE STUDY

The main purpose of the study was to determine employees and community members' ratings of ethical practices by large scale business organizations in Cross River State. Specifically, the study ascertained:

1. The extent of ethical marketing practices by large scale business organizations
2. The extent of ethical labour practices by large scale business organizations

RESEARCH QUESTIONS

These research questions guided the study.

1. What is the extent of ethical marketing practices by large scale business organizations in Cross River State?
2. To what extent do large scale business organizations in Cross River State practise ethical labour practices?

HYPOTHESES

The following null hypotheses analyzed at 0.05 level of significance were formulated for the work.

1. Community leaders, ward councilors and youth leaders do not differ significantly in their mean ratings on the extent of ethical marketing practices by large scale business organizations in Cross River State.
5. Male employees and female employees do not differ significantly on the extent of ethical labour practices by large scale business organizations in Cross River State.

METHOD

The research design adopted for this study is the survey research design. The study was undertaken in 18 local government areas in Cross River State. The population of the study is 2241. This contain 578 community members made up of 200 community leaders, 222 ward councilors, and 156 youth leaders in the study area and 1663 employees in the six organizations, out of which are 778 are males and 885 are females. (Sources: Local Government Service Commission in Calabar gave information on the community representatives, Ministry of Trade and Commerce gave information on the registered large-scale business organizations in the state while the six organizations gave data on the number of employees that work in each of them). The sample size for the study is 466. The three stages multi- stage sampling technique was used in selecting the sample. This sample size is made up of 216 community representatives and 250 employees. The 250 employees were made up of 125 males and 115 females. In using the multi- stage sampling technique adopted in selecting the sample for the study. The first stage was using purposive sampling technique to determine the number of community representatives to be selected in each Local

Government Area. This led to choosing four members each from community leaders, councilors and youth leaders in each Local Government Area.

The next stage was using the simple random sampling method that involved balloting deprived of replacement to select the ward councilors, the employees and the six large scale business organizations. The last stage was using snowball sampling method to choose the required numbers of community leaders and the youth leaders. In this way the ward councilors and other people in the community helped in recognizing them. Two sets of questionnaires validated and designed on five-point rating scale of Very Great Extent, Great Extent, Small Extent, and Very Small Extent, and Not practiced were used in collecting data.

These questionnaires were tagged A and B. Questionnaire A titled “Community Representatives’ Ratings of ethical marketing Practices Questionnaire” (CRREMPQ) contained 10 items and was responded to by the community representatives. Questionnaire B titled “Employees’ Ratings of ethical labour Practices. Questionnaire” (EROELPQ) contained 16 items was answered by the employees. The reliability of these instruments was determined by split-half reliability technique which yielded coefficients of 0.85 for questionnaire A and 0.82 for questionnaire B using Pearson Product Moment correlation analysis. Two hundred and sixteen copies of questionnaire A were administered. Two hundred copies properly filled by the respondents were used for data analysis. While 250 copies of questionnaire were administered and 215 were correctly responded to, and used for data computation. The researcher helped by six research assistants administered the questionnaires.

The data gathered were analyzed using different statistical techniques. In taking decision, weighted mean value of Very Great Extent 4.50 – 5.00, Great Extent 3.50 - 4.49, Small Extent 2.50 – 3.49, Very Small Extent 1.50 – 2.49 and Not practiced 0.05 – 1.49 were used for research questions. In deciding for the hypotheses, where the F- or z- test calculated value is greater than the table value reject the hypothesis, if otherwise not reject. Statistical Package for the Social Sciences (SPSS) version 20 was used for data analyses.

FINDINGS

Research Question 1

To what extent do Large Scale business Organizations in Cross River State practise ethical marketing practices?

Table 1: Respondents’ Mean Ratings on the Extent of Ethical Marketing Practices by Large Scale business Organizations

S/N	Ethical marketing activities	\bar{X}	Sd	Remark
1	Care for their customers' complaints	3.12	.59	SE
2	Avoid manipulations and sales tactics that harm customers' trust	3.07	.31	SE
3	Provide correct claims of advertisement for products and services	3.09	.46	SE
4	Correct information about product characteristics are enclosed in advertisement	3.12	.37	SE
5	Truthful and forthright in dealings with customers and stakeholders	3.19	.47	SE
6	Make strenuous efforts to serve the needs of the customers	3.55	.66	GE
7	Avoid false, misleading, and deceptive promotions	3.30	.49	SE
8	Accept constructive criticism from customers and other stakeholders	3.23	.48	SE
9	Products are appropriate for their intended uses.	3.09	.57	SE
10	Marketing communications about goods and services are not Intentionally misleading	3.60	.72	GE
	Cluster Mean	3.23	.51	SE

The result in Table 1 indicates that out of ten items used for the cluster two were appraised as being done to a great extent. Eight items and the group mean value were in the rating of practised to small extent. All the standard deviation values are not up to 1.00. Thus this standard deviation values show that the scores are homogeneous.

Research Question 2

To what extent do Large Scale business organizations in Cross River State practise ethical labour practices? The result of the computation is shown in Table 2

Table 2: Respondents' Mean Ratings on the extent of ethical labour practices by Large Scale business

S/N	Ethical Labour practices	\bar{X}	SD	Remark
1	Makes the organization attractive place to work in	3.28	.58	SE
2	Maintains safe and hygienic working conditions in the workplaces	3.61	.59	GE
3	Has respect for quality of life of the workforce and their families	3.56	.58	GE
4	Is transparent regarding their business activities	3.62	.49	GE
5	Pays workers well	3.49	.56	SE
6	Is not reckless in their use of authority and power	3.43	.52	SE
7	Prefer family members in higher positions	3.32	.52	SE

8	Gives their employees good health benefits	3.45	.55	SE
9	Have Strong retirement benefits	3.48	.58	SE
10	Respects the human rights of its employees	3.60	.55	GE
11	Promotes employee promptly	3.59	.49	GE
12	Pays compensation promptly to employees	3.16	.64	SE
13	Maintains safe working conditions in the workplaces	3.46	.52	SE
14	Gives employees good financial benefits	3.76	.56	GE
15	Takes steps against labour exploitations	3.40	.52	SE
16	Organizes social events for staff	2.96	.64	VSE
	Cluster Total	3.56	.56	SE

The result in Table 2 discloses the respondents’ opinion regarding the extent large scale business organizations in Cross River State practise ethical labour practices. The cluster identified 16 items for ethical labour practices. Six items were graded as being practised to a great extent. Nine items in this section and the cluster mean had mean values in the range of practised to small extent. One item was assessed as practised to very small extent. All the standard deviation values are not up to 1.00. These standard deviation values show that the scores are homogeneous.

Hypothesis 1

Community leaders, ward councilors and youth leaders do not differ significantly in their mean ratings on the extent of ethical marketing practices by large scale business organizations in Cross River State.

Table 3: Summary of One-Way Analysis of Variance (ANOVA) result of Community Leaders, Youth Leaders and Ward Councilors on the practise of Ethical Marketing by large scale business organizations in Cross River State.

Source of Variance	Sum of Square	Mean df	F-cal	F-Cri	Remark
Between Groups	1.351	2	.675	.192	3.04

Within Groups	691.204	197	3.509	Not Significant
Total	692.555	199		

Result in Table 3 displays ANOVA statistical result of community members on the extent of ethical marketing practices by business organizations in the State. The result show F-calculated as .192 while F-table value is 3.04 at 2 and 197 degrees of freedom and 0.05 level of significance. By this result the null hypothesis is not rejected.

Hypothesis 2

There is no significant difference in the mean ratings of Male employees and female employees on the extent of ethical labour practices by large scale business organizations in Cross River State.

Table 4: Summary of the Result of z-test of significance difference between Male Employees and Female Employees on the Ethical Labour Practised by business organizations in the State

Gender	Number	Mean	Sd	df	z-Cal	z-Crit	Remark
Male	115	56.4609	2.42894	213	1.946	1.960	
Female	100	54.8200	2.38421				Not Significant

The analysis in Table 4 shows z-test statistical result of mean difference between male employees and female employees on the extent of ethical labour practices by large scale business organizations in Cross River State. The result shows z- test computed value as 1.946 and z- table value as 1.960, at 213 degree of freedom and 0.05 level of significance. The calculated z- value is less than the critical z- value. The result is thus not significant. Based on this result, null hypothesis 2, is not rejected

DISCUSSION OF FINDINGS AND IMPLICATIONS

The extent of ethical marketing practices by large scale business organizations

The first research question was used to rate the respondents’ views on the extent of ethical marketing practices by large scale business organizations in Cross River State. The result shows that the respondents

are of the opinion that the large-scale business organizations in Cross River State practise ethical marketing practices to a small extent. This finding agrees with the assertion by Dergisi (2014) that in the contemporary economic environment, organizations are stressed with the communication practices to ensure that customers get the correct marketing messages. Thus, many of the corporations may try using unethical means.

This could be making sub-standard products, using unfair pricing, deceptive advertising and misleading packaging in their attempt to be top in the competition. It can also be to challenge and influence consumers' buying behaviour so as to get a bigger portion from the market segment. Dergisi (2014) noted that organizations that ethically market to consumers should emphasize transparency, trustworthiness, and responsible personal and organizational marketing policies and actions that exhibit integrity as well as fairness to consumers and other stakeholders. Thus, as organizations in this study's ethical marketing practices are inadequate, their aim of embarking on ethical marketing practices may be to achieve some or all of the objectives stated above by Dergisi.

The result of the first hypothesis show that community leaders, youth leaders and ward councilors do not differ significantly in their mean ratings on the extent of ethical marketing practices by large scale business organizations in Cross River State. The implication is that status of the respondents did not affect the respondents' ratings that the large-scale business organizations in Cross River State practice ethical marketing practices to a small extent. The finding of this hypothesis collaborates with the finding of Githui (2014). Githui conducted a study on ethical issues in marketing and advertising management in Kenya. The finding of the study showed that companies have turned blind eyes on ethical marketing, while advertising are only motivated by profits. This statement about advertising cannot be said to be untrue in Cross River State and among these organizations as there are so much advertising of products going on presently in Cross River State and Nigeria in general. This finding discredits the assertion by Carroll and Shabana (2010). The authors stated that in response to the mounting social and stakeholder concerns, many corporations are adequately adopting initiatives and programmes directed at the ethical responsibilities of businesses.

Ethical labour practices by large scale business organizations

Considering ethical labour practices by business organizations, the result show that large scale business organizations in cross river state practise ethical labour to a small extent. Thus, their practice of ethical labour practices is inadequate. This finding is supported by the concern expressed by Lohrman (2009) that firms, when facing a media investigation, are no more likely to use unethical labour regardless of how cost effective it is. Firms are actually driven towards certain labour choices based upon the

parameters of the investigatory media's profitability. This finding is at variance with what Arnold and Hartman (2003) pointed out. The authors posited that, ethical labour performance are at the centre of current discussions as regards globalization as multinational corporations (MNCs) and their suppliers in developing economies are subject of attention due to their alleged real otherwise unjust exploitation of workers. Findings also show that male and female employees do not differ significantly in their mean ratings on the extent of ethical labour practices by large scale business organizations in Cross River State. This means that these large-scale business organizations do not utilize cheaper labour, poor working conditions of service and underpay workers. However, their practices of these activities are not adequate. The finding by Mathenge (2013) supports the finding of this study.

Mathenge conducted a study on Ethical Dimension in Gender Management: An Empirical Analysis to the Impediments Facing Female Managers in Kenya. Mathenge's findings revealed dissatisfaction with prevailing organizational practices and career development opportunities. Therefore, it was recommended that an ethical culture, which is operative, impartial and fair, be created and sustained in Kenyan corporations and organizations. The findings from this study also finds relevance in what Altshuller and Smith (2011) stated. According to the authors some organizations apply labour values that suit them to fulfill basic necessities of the laws of the land. The implication of these findings is that large scale business organizations in Cross River state do not adequately practise ethical practices in spite of the abundant proceeds that they obtain from their business operations. There are insufficient practises of ethical marketing and ethical labour deeds among these organizations which are harmful to organizational survival, hazardous to the citizens and the employees. Conclusively, the extent of ethical marketing practices and ethical labour practices by large-scale business organizations in Cross River State are not enough considering the huge proceeds made by them.

RECOMMENDATIONS

Based on the findings of the study the following recommendations are made:

1. The Entrepreneurs should organize in-house ethical training to help employees make appropriate ethical decisions to meet the environmental and ethical concerns of their consumers and the community where they operate.
2. Business owners should positively encourage the community interest by engaging in ethical performance and encourage community growth and development by willingly eliminating practices that harm the public sphere, notwithstanding legality.

3. Business organizations should sell acceptable products and treat customers and staff with respect, instead of giving importance only to those areas where they have material interests.
4. Community members should be sensitized and be properly educated ethical issues.

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