



## **Effect of Ethical Behaviour on Organizational Performance. A Study of 7up Bottling Company, Aba, Abia State.**

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### ***Abstract***

The study determined the effect of ethical behaviour on organizational performance: A study of 7up bottling company, Aba, Abia state. Having analyzed the distributed 95 questionnaires, descriptive survey approach was adopted and analyzed using regressions with the help of SPSS version 22.0. The findings indicates positive and significant effect of ethical values on performance of 7up bottling company, Aba, Abia state. Also there is positive and significant effect of responsibility and accountability on profitability of 7up bottling company, Aba, Abia state. And concludes that, ethical behaviour among employees is crucial and imperative. This evidenceshows the kind of problematic issue in this sector even inthe 21st Century. Ethical values, responsibility and accountability in these firms should not be overlooked, since it provides a sense of direction toward profitability as a measure of performance. This study found that 7up bottling company, Aba, Abia state have clear guidelines to keep incheck unethical behaviour. And thus, recommends that 7up bottling company, Aba, Abia state through Governance, Justice, Law and Order office initiate the use of social media platform, and short text messaging services to enable customer report any form of misconduct as soon as possible for prompt action.

**Keywords:** Organizational Behaviour, Productivity, Profitability, Efficiency and Effectiveness

## Introduction

### Background of the Study

Ethics simply means what is right and wrong. While discussing business ethics right and wrong is discussed in terms of organizational decision, policies and rules and regulations. Ethical environment is so important to be developed in the organizations. It provides guidelines how to balance our interests and responsibilities. With the passage of time this concept is becoming more and more important with respect to understanding and application. Ethical education can be useful in making decisions. It provides us corrective solutions, develops confidence in resolving certain issues. It also contributes in moral development of professionals which leads the organizations towards success.

Behaviour is a function of both the persons and the environment (Lewin, 1943). Unethical behaviour by employees can affect individuals, work teams, and even the organization. Organizations thus depend on individuals to act ethically. Ethical behaviour is acting in ways that are consistent with one's personal values and the commonly held values of the organization and society. Unethical behaviour by employees can affect individuals, work teams, and even the organization (Andrews, 1989). Organizations thus depend on individuals to act ethically. An organization's ability to elicit ethical behaviour that goes above

and beyond the call of duty can be a key asset and one that is difficult for competitors to imitate. "It's not enough to just show up at 8 o'clock each morning and say, „oh, I have done a wonderful thing” (Bolino et al., 2013).

Ethical behaviour has been a cause of concern since very ancient time. Ethical behaviour in business practice has been developed continuously. In modern time, ethical behaviour has been looked as important aspect of the business success. There are lots of theoretical and empirical studies which explain the factors and variables impacting the ethical behaviour of individual in the organization and hence their ethical decisionmaking, ethical behaviour is evidenced since human civilization had been evolved. Nigeria is known as it has rich ethical tradition, which envisioned in the scriptures of the land like Gita, Upanishad etc. Plethora of theoretical and empirical studies is available on ethical behaviour by many professional executives. These have been drawn attention to the ethical approach of business. And today it is seen as a distinct feature of any business.

Ethical behaviour in organizations is necessary because business can become unethical, and there are plenty of evidence as in today on unethical company practices. "Irrespective of the demands and pressures upon every organization, by virtue of its existence it

is bound to be ethical, for at least two reasons: one, because whatever the business does affects its stakeholders and two, because every moment of action has paths of ethical as well as unethical paths wherein the existence of the business is justified by ethical alternatives it responsibly chooses” (Murphy, 2012).

According to Ackroyd, et. al., (2010), there are various forms of unethical behaviour that are pervasive and costly problems when encountered by work organizations. Not surprisingly, there is a growing interest among organization scientists and practitioners in the patterns of and in the motivational factors affecting such behaviour, as well as in its consequences for both organizations and their members (Greenberg, 2009).

### **Statement of the Problem**

Many modern organizations are faced with numerous challenges such as illegal and unethical behaviour in a number of business transactions. Managers are also faced with the challenge of evaluating the effect of this critical behaviour on the performance of such organizations. Again, many business managers operate their activities today, without keen interest of bothering whether their actions are right or wrong and the extent of employees understanding of the term ethics while the level of compliance is highly infinitesimal, (Oladunni 2012). The way Nigerian society cares little about the source of wealth tend to make some of these business operators to begin to wonder about the necessity of ethics in an organization.

For quite some time now public organizations have been viewed as a liability to the tax payers rather than an asset. This is because of low productivity, erosion of work ethics, indiscipline, blatant violation of rules, regulations and procedures, weak control and corruption have been observed as common features in their services, managing director’s office (2019). Kleinhempel (2009) argued that Unethical behaviour causes massive costs to organization. Several studies have shown that organization with illegal records have not only been forced to pay for investigations and fines but have also suffered significant stock price decline and report, on average, lower profitability rates than their law-abiding counterparts. In fact, many have experienced sharp sales drops, higher equity costs and severe damage to their reputation among customers and other stakeholders.

Taking 7up bottling company as a case study, unethical conducts and unstable performance in public organizations are speedily reported to increase recently. According to Performance Report (2020/21) 7up bottling company has failed to

comply with 81% of the set performance targets. Major failures were observed in the areas of water losses, collection efficiency, and water pressure to customers. For the targets that are not subjected to financial penalty upon non-compliance, 7up bottling company complied by 53% and the major failure was on increasing the number of service hours.

7up bottling company Technical Report (2010) explores how most of illegal and unethical practices which affect the organization operations appear to be performed by 7up bottling company employees themselves. This unstable performance of public organizations in Nigeria particularly 7up bottling company and the increased reports on unethical conducts by respective employees create a question as to whether the two have any related impact on each other despite the provision of the necessary facilities, and training on ethical conducts employees has not yet raises awareness of its existence among individuals. Outside its implementers, very little is known about its availability and capabilities even in reputable organizations where it has been set up. Although all the efforts in enhancing ethical behaviour has been done very little is known. This study therefore intends to assess the effect of ethical behaviour on organizational performance: A study of 7up bottling company, Aba, Abia state.

### **Objective of the Study**

The general objective of this study is to evaluate the effect of ethical behaviour on organizational performance: A study of 7up bottling company, Aba, Abia state. Other specific objectives are to;

- i. Determine the effect of ethical values on productivity of 7up bottling company, Aba, Abia state.
- ii. Access the effect of integrity on efficiency of 7up bottling company, Aba, Abia state.

### **Research Questions**

This study has the following questions to answer;

- i. Determine the effect of ethical values on productivity of 7up bottling company, Aba, Abia state.
- ii. Access the effect of integrity on efficiency of 7up bottling company, Aba, Abia state.

## **Research Hypotheses**

The following hypotheses are formulated as follows;

**H0<sub>1</sub>:** There is no significant effect of ethical values on productivity of 7up bottling company, Aba, Abia state.

**H0<sub>2</sub>:** There is no significant effect of integrity on efficiency of 7up bottling company, Aba, Abia state.

## **REVIEW OF RELATED LITERATURE**

### **Conceptual Review**

#### **Definitions of Key Concepts “Ethics”**

Ethics can be defined as the art and discipline of applying principles and frameworks to analyze and resolve complex moral dilemmas, Rossy (2011). According to Trevino (2001) ethics are moral principles that explain what is right or wrong, good or bad and what is appropriate or inappropriate in various setting. Candy (2005) defines ethics as the system of rules that govern the ordering of values. Miner (1998) also defines ethics as a philosophy of human conduct; reflecting prevailing values especially those of moral nature.

Bucholz (2003), in his work on business ethics, sees ethics as the guiding values; principles and standards that help people determine how things ought to be done. Ethics is a set of standard of right and wrong established by a particular group and imposed on members of that group as a means of regulating and setting limit on behaviour, Judith (2003). Ethics are defined as the system of rules that governs the ordering of values. This idea makes it possible to prescribe a code of behaviour for both work and one’s personal life. Robert Cardy (2005). To sum-up the above definitions, one can therefore define ethics as standard of morality that guides individual and organization in following certain norms of conduct when dealing with each other. It can be said to be the moral evaluation of decision and action as right and wrong on the basis of commonly accepted principles or behaviour.

To sum-up the above definitions, ethics can be defined as standards of morality that guides individuals and organization in following certain norms of conduct when dealing with each other. Ethics involves some hard features, like duties and rights (most of them legal), that are mandatory for all and soft components, like values, aspirations or best practices that are desirable but not compulsory and can vary from one organization to another.

## **Occurrence of Unethical Behaviour in Organization**

The potential for individuals and organization to behave unethically is limitless. Unfortunately, this potential is too frequently realized. Consider, for example, how greed overtook concerns about human welfare in a number of cases. Companies that dump dangerous medical waste materials into our rivers and oceans also appear to favour their own interests over public safety and welfare. Although these examples are better known than many others, they do not appear to be unusual. In fact, the story they tell may be far more typical than we would like, as one expert estimates that about two thirds of the 500 largest corporations have been involved in one form of illegal behaviour or another. Gellerman, (1986).

Unfortunately, unethical organizational practices are embarrassingly very common today. It is easy to define such practices as dumping polluted chemical wastes into rivers, overcharging the government for Medicaid services, etc. Yet these and many other unethical practices go on almost routinely in many organizations. Why is this so? In other words, what accounts for the unethical actions in which individuals knew or should have known that the organization was committing an unethical act?

One answer to the question of why individuals knowingly commit unethical actions is based on the idea that organizations often reward behaviours that violate ethical standards. Consider, for example, many business executives and top government officials deal in bribes and payoffs, despite the negative publicity and ambiguity of some laws, and how good corporate citizens who blow the whistle on organizational wrongdoing may fear being punished for their actions. Jansen and Von Glinow (1985) explain that organizations tend to develop counter norms, accepted organizational practices, which are contrary to prevailing ethical standards.

Indeed, governmental regulations requiring full disclosure and freedom of information reinforce society's values towards openness and honesty. Within organizations, however, it is often considered not only acceptable, but also desirable, to be much more secretive and deceitful. The practice of stonewalling, willingly hiding relevant information, is quite common. One reason for this is that organizations may actually not reward those who are too open and honest. Look at the negative treatment experienced by many employees who are willing to blow the whistle on unethical behaviour in their organization.

Many other organizational counter norms that promote morally and ethnically questionable practices. Because these practices are commonly rewarded and accepted

suggest that organization may be operating within a world that dictates its own set of accepted rules. This reasoning suggests another answer to the question of why organizations knowingly act unethically namely, because managerial values exists that undermine integrity. In an analysis of executive integrity, Wolfe [1999] explains that managers have developed some ways of thinking (of which they may be quite unaware) that foster unethical behaviour.

Within the literature on corporate illegality, the predominant view is that pressure and need force organizational members to behave unethically and develop corresponding rationalizations; however, according to recent research this explanation only accounts for illegal acts in some cases; Baucus and Near, (1999). In their data, poor organizational performance and low organizational slack (the access that remains once a firm has paid its various internal and external constituencies to maintain cooperation) were not associated with illegal behaviour, and wrongdoing frequently occurred in munificent environments.

### **Ethical Behaviour**

Ethical behaviour is acting in ways that are consistent with one' personal values and the commonly held values of the organization and society,(Nielsen,1999).Unethical behaviour by employees can affect individuals, work teams, and even the organization (Arlow,2000,). Organizations thus depend on individuals to act ethically. Several years ago, a company launched a program to integrate its ethical standards into everyday business conduct (Wagel, 1987). It developed a booklet of ethical standards, distributed it to all employees, and undertook a massive training effort to express to all employees the importance of ethical behaviour.

Interestingly, today, it is worthy to note that high-intensity business environment makes it more important than ever to have a strong ethical program in place. In a survey of more than 4,000 employees conducted by the Washington, D.C. – based ethics resource centre, one-third of the employees said that they had witnessed ethical misconduct in the past year. Ethics and ethical behaviour go hand in hand. Formally defined, ethical behaviour refers to that which is morally accepted as 'good and right' as opposed to 'bad and wrong' in a particular situation. Silver Stein (1989). It is therefore the principle relating to what is right and wrong. Scholars have enumerated some essential elements of ethical behaviour as regards organizational concerns. These essential elements according to Crosby (1997); Robbins (2001) Bucholz (2003)

amongst others, include: Integrity; Accountability; Code of ethics/ethical programmes; ethical decision making; and ethical environment.

As regards ethical climate of an organization, it is the shared set of undertakings about what correct behaviour is and how ethical issues will be handled. This climate sets the tone for decision making at all levels and in all circumstances. Some of the factors that may be emphasized in different ethical climate of organizations according to Hunt [1991]; Robbins (2001); are: personal self-interest; company profit; operating efficiency; individual friendships; team interest; social responsibility; personal morality; Rules and standard procedures; Laws and professional codes etc.

The ethical climate of different organizations can emphasize different things. When the ethical climate is not clear and positive, ethical dilemmas will often result in unethical behaviour. In such instances, organization's culture also can predispose its members to behave unethically. For example, recent research has found a relationship between organizations with a history of violating the law and continued illegal behaviour. (Baucus and Near, (1991). Thus, some organizations have a culture that reinforces illegal activity.

In addition, some firms are known to selectively recruit and promote employees who have personal values consistent with illegal behaviour; firms also may socialize employees to engage in illegal acts as a part of their normal. Job duties, pressure, opportunity and predisposition can all be due to unethical activities, however, organizations must still take a proactive stance to promote ethical climate. Churchill et al. (2000) suggest that within the organizational environment there are five categories of variable that have an effect on individual performance: (1) goals, objectives, and culture; (2) personnel; (3) financial resources; (4) production capabilities; and (5) research and development. Whereas the focus in the current study is on both short-term and long-term performances, an argument can be made that efficiency and effectiveness of employees may be influenced negatively if their work climate includes a cue that indicates prevalent unethical actions

### **Organizational Performance**

This comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard (2009) organizational performance encompasses three specific areas of firm outcomes. These include financial performance (profits, return on assets, and return on investment), Product



market performance (sales, market share) and Shareholder return (total shareholder return, economic value added). Generally, organization performance involves identifying outcomes that it wants to achieve, creating plans to achieve those outcomes, carrying out those plans, and determining whether the outcomes were achieved.

Corporations have become a powerful and dominant institution. They have reached to every corner of the globe in various sizes, capabilities and influenced societal growth. Their performance has influenced economics and various aspect of social landscape. However, organizational performance depends on it human capital development, which is the employee and other resources both tangible and intangible. There is a large and growing body of evidence that demonstrates a positive linkage between the development of human capital and organizational success. The emphasis human capital in organizations reflects the view that market value depends less on tangible resources, but rather on intangible ones, particularly human resources. Recruiting and retaining the best employees, however, is only part of the equation. The organization also has to leverage the skills and capabilities of its employees by encouraging individual and organizational learning and creating a supportive environment where knowledge can be created, shared and applied and this can be done through the organization management where decision can be reached concerning the future of the organization as well as the individual that drive the success of the organization.

Our belief is that, the link between human capital and organizational performance is convincing. Empirical work has become more sophisticated, moving from single measures of human resources to embrace combinations or bundles of human resource practices and in this tradition, the findings are powerful, Fitz-Enz (2002). Such results have led to some scholars to support a best practices approach, arguing that, there is a set of identifiable practices, which have a universal, positive effect on organizational performance. Other scholars contend that difficulties in specifying the constituents of a best practices set, and the sheer number of contingencies that organizations experience, make the best practice approach problematic.

### **Important of ethical behaviour in Organization**

It is important to understand that ethical behaviour in the organization can stimulate positive employee behaviours that lead to organizational growth, just as unethical

behaviour in the workplace can inspire damaging headlines that lead to organizational demise.

Simply put, organizational stakeholders that include individuals, groups and organizations of various types enter into a relationship with a business organization for that business to protect their interests in a specific way. Therefore, there is a mutual expectation that stakeholders and business organizations act in an ethical manner and in each other's best interest.

A decision to act unethically, by the organization or a stakeholder, can strain the relationship and damage the reputation of the organization. The increased risk of reputational damage and harm from negative headlines is often the catalyst for organizations to promote and encourage ethical behaviour and prevent and report unethical behaviour. Furthermore, where many individuals are connected to social media with mobile technology, the risk that unethical behaviour will cause reputational damage to an organization is arguably much greater than in decades past, as behaviour is more easily recorded on video, captured in photos, shared online and propelled into headlines.

However, there are benefits of ethical behaviour in the organization beyond the avoidance of reputational harm. An organization that is perceived to act ethically by employees can realize positive benefits and improved business outcomes. The perception of ethical behaviour can increase employee performance, job satisfaction, organizational commitment, trust and organizational citizenship behaviours. Organizational citizenship behaviours include altruism, conscientiousness, civic virtue, sportsmanship and courtesy.

## **Theoretical Review**

### **Institutional Ethical Theory**

Institutional theory was propounded by William Richard Scott in 1995. This theory states that organizations are “product of social reality that is constructed by human interaction and symbolic and relational systems, routines, and artefacts. It is a theory on the deeper and more resilient aspects of social structure which considers the processes by which structures, including schemes; rules, norms, and routines, become established as authoritative guidelines for social behaviour.

Different components of institutional theory explain how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and

disuse” (Foote, 2008). Scott (1995) in defining institution stated that there is “no single and universally agreed definition of an ‘institution’ (workplace) in the institutional school of thought”. He asserts that institutions are “social structures that have attained a high degree of resilience. They are composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life. Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artefacts.

Institutions operate at different levels of jurisdiction, from the world system to localized interpersonal relationships. Institutions by definition connote stability but are subject to change processes, both incremental and discontinuous”. This framework is selected for this study because of the uniqueness in ways of approach to the notion of promoting the ethical structure in the organization. It considers the processes by which structures, including schemes; procedures, standards, rules, norms, and routines, become established as authoritative guidelines for social behaviour which is the basis of workplace ethics.

### **The Employee Risk Triangle Theory (Cressey, 1953)**

This model identifies three forces which act on an employee’s propensity to engage in unethical conducts. The three forces are Need, Opportunity, and Attitude. According to Researchers at DePaul University in Chicago, “Employee Risk Triangle Theory has a great contribution in providing a common-sense theory of employee crime and deviance, Terris (1985).

Following the increase of unethical conducts in most of public organizations by employees specifically at 7up bottling company as described in the 7up bottling company Technical Report (2010), this theory has greatly contributed to this study and provides a framework towards a better understanding on employees’ ethical conducts in organizations. However, this theory has focused heavily on the attitudinal components and does not provide as to whether there are other forces apart from these attitudinal forces that may affect employee’s ethical conducts in the organization.

### **Empirical Review**

Henry and Richard (2017), assessed the influence of ethical behaviour on organizational performance in the Kenyan Public Health Sector. This was for the purpose of proposing appropriate strategies that could cultivate commitment and

compliance among health workers in the sector. The study was based on the Social Learning Theory by Albert Bandura (1977). It posits that people learn from one another, by way of observation, imitation, and modeling. The study was carried out in Baringo District Hospital - Kabarnet, Rift-Valley Province. A mixed approach method was used with a survey research design. It applied a census inquiry on all the staff in the facility and 174 returned their questionnaires. Questionnaires were used for primary data collection. Data analysis was carried out using descriptive statistics and content analysis for ordinal and nominal data, respectively. Data presentation was done using tables, frequencies and percentages. The results showed that neglect, absenteeism, poor timemanagement, corruption, disputes, and dishonest were rife in the sector.

Yusra, (2017), investigated the impact of business ethics on employee's performance: Anempirical study of Jordanian Public Universities. A survey questionnaire is used to conduct thisstudy. A sample of 343 employees in the Jordanian public universities participated in the study.The findings revealed the significant positive relationship between business ethics (respect lawsand regulations, justice and impartiality, respect time and perfection, honesty and straightness,and integrity and transparency) with employee's performance.

Azowa&Tantua, (2020), investigated the relationship between workplace ethics and organizational success of construction sector in Port Harcourt, Rivers State. The study used crosssectional survey design. The population of the study comprised of 165 staff of five (5) constructioncompanies in Port Harcourt, Rivers State, sample size of 116 employees were sampled using the Krejcieand Morgan determination table. Data collection was done using structured close ended questionnairebased on the sample of the study and retrieved for analyses. Analyses of collected data were done usingPearson Product Moment Correlation Coefficient through the help of Statistical Package for SocialSciences (SPSS). The findings show significant relationship between the three dimensions of workplaceethics – transparency and the two measures of organizational success – growth and market share, andthe two measures of organizational success.

Ebitu, and Beredugo, (2015), investigated 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 study adopted descriptive research design while data were collated from 176 respondents cutting across selected Banks and GSM firms in

Calabar, Cross River State. Our hypotheses were tested using Chi-square ( $X^2$ ) and all were supported by extant literatures. Results showed that effective performance of service industry was dependent on code of ethics [ $X^2_{cal} = 18.082 > t_{0.05} = 7.815$ ] and that the compliance level of established code of ethics for service industry was high [ $X^2_{cal} = 13.801 > t_{0.05} = 7.815$ ].

Ezeanyim, and Ezeanolue,(2021), examined business ethics and organizational performance in south East Nigeria. Descriptive research design was adopted. The study was carried out in South Eastern of Nigeria comprises of Abia, Anambra, Ebonyi, Enugu and Imo states The population of the study 4871 comprised of all employees of the selected manufacturing firms South-East. Sample size of nine hundred and twenty-seven (936) respondents was selected for the study using Borg and Gall formula. Questionnaire was employed as the main instrument of data collection. The study adopts face and content validity. The reliability of the instrument was achieved through the application of test re-rest and Spearman rank order correlation coefficient. The data generated were analysed using frequency count and percentages in the analysis of research questions while research hypotheses were tested using panel regression analysis. It was found that ethical climate had significant positive effect on organization' performance in South-East Nigeria. Unethical standard practices had no significant positive effect organizational performance. Ethical culture had a significant positive effect on organization' performance. Ethical behaviour had a significant positive effect on organization' performance in southeast Nigeria. The study concludes that business ethic had a positive significant effect on employee job satisfaction of academics' staff of public universities in South-East.

Rashid, FizzahandAlvi, (2014), evaluated acquiescence of business ethics in Telecommunication industry of Pakistan and its effect on organizational development. An empirical studyis conducted using questionnaire style survey. Systematic random sampling technique was used by drawingsample of 150 employees. Reponses from employees are analysed with analysis of Descriptive Statisticsand Pearson's product moment correlation. The findings indicated a relationship between employees'business ethics and organizational development. It was also found that employee ethical behaviours inorganizations in turn led to cultivation of organizational culture. The culture influenced employees'commitment towards work in organizations and organizations themselves, and organizational commitmentprogressively affected organizational development.

Musyimi, (2016), determine the perceived effect of ethical leadership on employee performance among commercial banks in Kenya. The study used cross sectional descriptive research design. The population of the study comprised of all the forty-three commercial banks operating in Kenya. The study used stratified sampling because of ease of classifying the population into strata's. The study used primary data that was collected through self-administered questionnaires. The information gathered was examined utilizing illustrative insights measures of focal propensity and measures of varieties and presented using tables and figures. The study found out that ethical leadership in the bank was achieved through good corporate governance structures, strict bank code of conduct and ethics, creation of ethical control and compliance department that ensure all ethical code of conduct is adhered to by all. The study found out that the leadership of the bank have emphasized trustworthiness, encouragement of the employees upholds the same moral values that they practice and doing what is right to societal and organizational cultural beliefs and values. Integrity in the bank was achieved through strong moral principles; moral uprightness in financial transactions, organizations leaders always encourages open and honest communication. Ethical leadership of the management was found to have resulted in increased manager-employee relationship thus preventing corruption and predictability, reducing dishonesty and communication breakdowns, and employee attitude towards the organization.

Khokhar and Zia-ur-Rehman, (2017), found the relationship of ethical leadership and employees' performance through mechanisms such as counterproductive work behaviour and organizational citizenship behaviour of employees. 107 of principals, vice-principals, headmasters, and deputy headmasters of educational institutions was used. Data were collected through questionnaires. Total questionnaires received were 237 out of 300 and 220 met the research criteria. The response rate was 79% out of which 90 were male and 130 were female participants. The results showed significant direct positive relationship between ethical leadership and employee's performance. Additionally, results showed that counterproductive work behaviour (CWB) partially mediated the relationship between ethical leadership behaviour and employee's performance. Interestingly, organizational citizenship behaviour (OCB) did not mediate the relationship between ethical leadership and employees' performance.

Ogegah, (2017), assessed the effects of organization ethical conducts on the employees' performance to examine the awareness of employees' ethical conduct on

the organization performance, to examine adherence towards ethical conducts as parameter of organization performance and lastly to examine dissemination of skills and knowledge on ethical conducts by the organization. Descriptive research method was employed in the study in order to describe, observe and document a naturally occurring phenomenon which cannot readily be attributed an objective value. All the respondents filled and returned the questionnaires making a response rate of 100%. The study concluded that the effects of work place ethics on organizational performance such as; programs that promote good ethics in an organization, incentives that will improve on employee's ethical standards and aspects of ethics and performance.

## **METHODOLOGY**

### **Research Design**

Research design is a plan or blue print on how to go about data collection and analysis, all aimed at providing solutions to the problem under investigation (Okebaram, 2014). In this study, the researcher adopted survey design. It is a research design where a sample of population or item is chosen and data collected, analyzed and report made based on the sample. Here a group of people or item is studied by collecting and analyzing data from a few people or item considered a representation of the entire group population.

### **Sources of Data**

Data collected for this study were sourced from both primary and secondary sources.

**Primary Data:** Primary data are original data collected basically for the purpose of the research or study. The primary sources of data for this research include questionnaires, etc.

**Secondary Data:** Secondary data are both published and unpublished works. The published were obtained from library, textbooks, journals, internet, articles publications. The researcher therefore adopted this source of data in order to obtain the information needed.

### **Population of the Study**

A population is made up of all conceivable elements or observations relating to a particular phenomenon of interest of the research subject or element. The population

of this study comprised of one hundred and forty two (141) staff of 7up Bottling Plc, Aba, Abia State

### **Sample Size Determination**

For the purpose of this study, the researcher derived the sample size statically by using Taro Yamani (Abdullahi, 2012) as follow;

Using the formula;

$$n = \frac{N}{1+N(e)^2} \text{Where;}$$

n = Sample size

N = Population (142)

e = Margin of error (0.05) Thus, the sample size is:

$$n = \frac{142}{1+142(0.05)^2}$$

$$n = \frac{142}{1+142(0.0025)}$$

$$n = \frac{142}{1+0.355}$$

$$n = \frac{142}{1.355}$$

$$= 104.79$$

$$n = 105 \text{ staff}$$

Therefore, the sample size for this study is 105 staff of 7up Bottling Plc, Aba, Abia State. The study also made use of simple random sampling because it is distinguished by the fact that each population element has not only a known but equal chance of being selected.

### **Sampling Technique**

Simple random sampling technique was used by the researcher in obtaining information for the research. The sampling technique provide employees the same and known chances of being nominated.

### **Description of the Research Instrument**

The researcher extensively used structured format of questionnaire which was formal and standardized. It followed a pattern of questions which the researcher used to obtain the required data. The questionnaire used by the researcher was in line with the research questions as well as research objectives of the study.



Questionnaire: This involves a set of question which relates to the purpose of the study and the hypothesis to be verified. The questionnaire was divided into two sections. Section A and B, Section A contains personal data of the respondent such as sex, marital status, qualification etc. Section B contains questions that requires both direct and indirect answers, which requires the respondent to tick the one that appeals him most and was structured in 5 point Likert scale ranging from Strongly agreed 5, Agreed 4, Undecided 3, Disagreed 2 and Strongly disagreed 1.

### **Validity of the Research Instrument**

To make the instrument valid, the researcher adopted content validity.

### **Reliability of the Research Instrument**

Reliability is the tendency toward consistency found in repeated measurements. The reliability of the instrument was ascertained using the internal consistency method. 80 questionnaire were given to the respondents, and after two weeks of interval, another 80 questionnaire were issued out to the same respondent to check consistency and reliability. This is called the test re-test method.

### **Methods of Data Analyses**

Data for the study were analyzed using frequency distribution table, and percentages were used to analyses the data from the questionnaire. Also, hypothesis were tested Pearson Product Moment Correlation Coefficients, ANOVA and Regression models with the aid of Statistical Packages for Social Sciences version 23.0, which was designed to investigate the agreement of a set of observed frequencies expected or an assumption of the theoretical pattern of the phenomena being studied.

### **Data Presentation and Analysis**

**Table 3.1 Distribution of questionnaire to staff of 7up Bottling Company. Aba, Abia state and response rate.**

<b>Respondents</b>	<b>Distributed questionnaires</b>	<b>Valid and Returned questionnaires</b>	<b>Invalid and returned</b>	<b>Not Returned</b>
<b>Total</b>	<b>105</b>	<b>95</b>	<b>3</b>	<b>7</b>

**Source: Field Survey, 2022**

As reflected in Table, a total of 105 questionnaires were distributed to staff 7up Bottling Company. Aba, Abia state. 95 were valid and returned to the researcher. 3

were returned but invalid. The remaining 7 were not returned. Hence, 84 of the respondents constituted the sample of return completed questionnaires.

**Regression analysis showing the effect of ethical values on performance of 7up bottling company, Aba, Abia state.**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.964 <sup>a</sup>	.930	.928	.34089	.554

a. Predictors: (Constant), Greater productivity, Increased knowledge of employer/organization, Increased Morale amongst staff  
b. Dependent Variable: Enhanced workplace communication

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.145	.125		1.156	.251
	Increased knowledge of employer/organization	.362	.094	.378	3.859	.000
	Increased Morale amongst staff	.405	.109	.414	3.701	.000
	Greater productivity	.196	.097	.189	2.028	.045

a. Dependent Variable: Enhanced workplace communication

R = 0.964  
R-Square = 0.930  
Adjusted R-Square = 0.928  
T - Statistic = 3.859  
Durbin Watson Statistic = .554

The regression results showed that the estimated coefficient of the regression parameters have positive sign and thus conform to our a priori expectation. This means that an increase in the independent variables will bring about credibility in the dependent variable.

The coefficient of determination R-square of 0.930 implied that 93.0% of the sample variation in the dependent variable is explained or caused by the explanatory variable while 7.0% is unexplained. This remaining could be caused by other factors or variables not built into the model. The high value of R-square is an indication of a good relationship between the dependent and independent variables.

The value of the adjusted  $R^2$  is 0.928 this shows that the regression line captures more than 92.8% of the total caused by variation in the explanatory variables specified in the equation accounting for the stochastic error term.

**Correlations showing the effect of responsibility and accountability on profitability of 7up bottling company, Aba, Abia state**  
**Correlations**

		Periodic trainings	Specialization	Motivation amongst staff
Periodic trainings	Pearson Correlation	1	.935**	.954**
	Sig. (2-tailed)		.000	.000
	N	94	94	94
Specialization	Pearson Correlation	.935**	1	.950**
	Sig. (2-tailed)	.000		.000
	N	94	94	94
Motivation amongst staff	Pearson Correlation	.954**	.950**	1
	Sig. (2-tailed)	.000	.000	
	N	94	94	94

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The result reveals that there is significant effect of responsibility and accountability on profitability of 7up bottling company, Aba, Abia state. The coefficient of the correlation is 0.935, 0.954 and 0.950, with a sig. value of 0.000. The effect is significant since the sig. value of 0.000 is lower than the acceptable 0.01

**Summary of Findings**

This study determine the effect of ethical behaviour on organizational performance: A study of 7up bottling company, Aba, Abia state. Having analysed the distributed 95 questionnaires, descriptive survey approach was adopted and analysed using regressions with the help of SPSS version 22.0. The following findings were made.

- i. There is positive and significant effect of ethical values on performance of 7up bottling company, Aba, Abia state.
- ii. There is positive and significant effect of responsibility and accountability on profitability of 7up bottling company, Aba, Abia state.

## Conclusion

Ethical behavior among employees is crucial and imperative. From the research findings, there is a strong inclination that these vices are inherent in the public sector organizations. Transparency International (TI) in 2020 recognized embezzlement, theft, and corruption in procurement, corruption in payment systems as some practices existing in the manufacturing sector. This evidence shows the kind of problematic issue in this sector even in the 21st Century. Ethical values, responsibility and accountability in these firms should not be overlooked, since it provides a sense of direction toward profitability as a measure of performance. This study found that 7up bottling company, Aba, Abia state have clear guidelines to keep in check unethical behaviors.

## Recommendations

The study makes the following key recommendations:

- i. 7up bottling company, Aba, Abia state through Governance, Justice, Law and Order office initiate the use of social media platform, and short text messaging services to enable customer report any form of misconduct as soon as possible for prompt action.
- ii. Finally, the 7up bottling company, Aba, Abia state should be roped into investigating any form of corrupt practices as soon as it is reported using the aforementioned communication channels.

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