



## BUSINESS ETHICS FOR ENTREPRENEURIAL SUCCESS: A TOOL FOR EFFECTIVE SERVICE DELIVERY

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### **Abstract**

*The study examined business ethics for entrepreneurial success: A tool for effective service delivery in business in Ondo, Nigeria. The study adopted descriptive survey research design. Questionnaire was the instrument for data collection. Two research questions guided the study and the population of the study includes all micro, small and medium entrepreneurs in Ondo West Local Government Area (OWLGA) of Ondo State totaling One thousand, five hundred and eighty-one (1,581). One hundred and fifty-eight (158) randomly selected entrepreneurs formed the study sample. The reliability of the questionnaire was determined by a test-re-test method. Data collected were analysed using the Pearson Product Moment Correlation Coefficient (PPMCC) method and a reliability coefficient of 0.78 was obtained. Findings revealed that for entrepreneurs to succeed, there is the need for them to imbibe certain standard business ethics which will enhance honesty, faithfulness, diligence, accountability, fair dealing with customers, transparency, utilization of standard measurement, payment of appropriate tax, production of quality and standard goods and services to mention but a few. It was therefore recommended among others, that there should be awareness for standard business ethics, proper ethical orientation be given to business practitioners; government should provide lasting solution to challenges encountered by entrepreneurs in imbibing standard business ethics and consumer protection agencies be alive to their duty.*

**Keywords:** *Business ethics, entrepreneurial success, business practitioners, ethical orientation.*

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### **Introduction**

The unemployment and underemployment situation in Nigeria has made majority to venture into one business or the other as a means of sustaining their livelihood either as the major source of income or a compliment of paid job. Olupayimo (2017) alerts



that 'workers' take home could no longer take them home' and as Ogunjobi (2014) succinctly remarked, available jobs in Nigeria labour market are either disappearing or shrinking leading to a situation whereby more people are jostling for fewer jobs. Sule (2014) opines that empowering Nigerian people towards wealth creation, employment generation, poverty reduction and value re-orientation is a foremost cardinal point for strategic macro-economic framework. Entrepreneurship is therefore, the order of the day to salvage the economy.

Every life endeavour has the required ethics which must be followed appropriately to guarantee success. In a bid to be self-reliant rather than depending on government job, most people entered world of business without adequate knowledge of standard business ethics. In the light of the foregoing, a lot of people, especially the teeming youthful population became emergency business practitioners without proper knowledge of ethics guiding the operation of such businesses.

Afolabi and Alao (2012) defined entrepreneurship education as the inculcation in the individuals entrepreneurial skills, knowledge, attitudes and competences that would make such individuals live happily, successfully in the society and contribute meaningfully to its development. An entrepreneur has the ability to see, evaluate business opportunities to take advantage of them, initiate appropriate actions to ensure success and take risks to achieve goals (Aliyu, 2012).

The success or failure of any business depends largely on ability of the businessmanto effectively and efficiently use his positive qualities and restrain the negative ones. Some business practitioners are so profit minded that they go extra mile falsifying raw materials, selling sub-standard goods, using fake measurements and even relating unfriendly with customers who are supposed to be treated as 'kings' forgetting that a customer maltreated once, may never patronize such a business again. For the purpose of this study, business practitioners and entrepreneurs are used interchangeably to represent micro, small and medium scale enterprise (SMSE) as the case may be.

Ethics are the principles and values that individual uses to govern his activities and decisions. Ethics involves how business practitioners transact their businesses and how they behave intrinsically (Akpanobong, 2018). Ordu and Okafor (2014) view ethics as a belief or what is right or wrong; what is normally correct or acceptable. Likewise, Nwazor(2010) refers to ethics as moral laws that involve a high sense of



self-awareness, time management, life goals programming, personal grooming for excellence, consciousness, human relations, and self-discipline. Business ethics is the system of laws and guidelines by which business professionals and corporations operate in a fair, legal and moral fashion which encourages transparency in business dealing by the conduct of individuals and the organization as a whole.

Marcin, Wojciech and Katarzyna (2015) opine that business activity is undertaken by persons of various ages, education and social/professional backgrounds. Therefore, their hierarchy of values is different. Moreover, Uwaoma and Ordu (2015) acknowledge that ethical tenets upon which entrepreneurship thrives includes developing a reputation for honesty, trustworthiness, fairness with employees; suppliers, consumers, respect, justice, result-oriented; risk taking, passion, honour, integrity, persistence and perseverance. Mariotti (2010) says ethical business values such as honesty, fairness, mutual respect and kindness benefit entrepreneurs in building trust and developing substantial employee loyalty to the firm. It is therefore, expected of business practitioners to exhibit a high sense of responsibility and loyalty in doing business because ethical behaviour is the number one factor for business success.

Ethical education is training for duty and it aims at developing the mind in such a way that every faculty is opened, kept sharp, applied to all practical purpose to encourage individuals develop their moral reasoning (Onajite and Onyeson, 2016). It is important to note that ethical business education is mandatory for all and any business practitioner who is dubious in character, fraudulent in action, self-centered, myopic and have no consideration for other people cannot succeed

Though business practitioners often encounter ethical dilemma when confronting a situation that requires choice making yet, there is the need to imbibe these business ethics to overcome such challenges. When ethical standards are properly learnt and adhered to, truthfulness, transparency, accountability, due process, perseverance, prudence, modesty, self-control among others will be evident in the life of the business practitioners (Gana, 2010).

There are a lot of benefits in ethical practices ranging from growth and development of the business, continuous patronage, survival; increase in profit, low labour turnover, sustainability and less hostility from the host community. On the other hand, unethical practices have its adverse effects; these include rejection, hostility,



less profits, high risk of failure, lack of sustainability, collapse and closure (Ikegwuani, 2016). It could be deduced therefore, that for business practitioners to succeed and Nigeria's economy to speedily recover, there is the need for faithfulness, diligence, integrity, right ambition, focus, civility, sincerity, modesty, in business operations.

### Statement of the Problem

In recent time, emphasis has been on entrepreneurship education as a means of skill acquisition to enhance self-dependence and self-reliance for poverty alleviation. Many people, especially youths are entering into business without proper knowledge of ethics guiding the operation of such businesses while some quit abruptly after a few periods of establishment, some are still struggling with their businesses without any success. Ekwue and Azu (2016) laments that despite an explosion of new interest in entrepreneurs and their activities; serious research attention is only recently known to have been devoted in some developed countries to ethical problems encountered by entrepreneurs and organisations. Without standard business ethics to guide operation of business practitioners, their success is doubtful and this may have negative effects on Nigeria's economy speedy recovery. It is on this premise that this study is based.

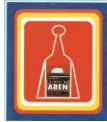
### Research Questions

The following research questions were raised:

1. What are the business ethics required for *entrepreneurs'* success?
2. What are the challenges encountered by *entrepreneurs* in imbibing business ethics for effective service delivery?

### Method

The study adopted descriptive survey research design. Questionnaire was the instrument for data collection. Population comprised 1,581 SMSE in OWLGA, Ondo State. 158 randomly selected *entrepreneurs* formed the study sample. Two experts from Adeyemi College of Education, Ondo validated the instrument. Reliability was determined by a test-re-test method. Data collected were correlated using PPMCC which yielded 0.78. The questionnaire was structured on a four-point rating scale as SA - 4 points, A - 3 points, D - 2 points and SD - 1 point. The researcher with the help of two research assistants administered the instrument. Data collected were analysed using descriptive statistics of mean and standard deviation.



## Result

### Research Question 1

What are the business ethics required for *entrepreneurs'* success?

**Table 1 Legend:** Mean scores and standard deviation of respondents on the business ethic required for *entrepreneurs'* success

S/N	Item statement	SA	A	D	SD	Mean	SD.	Decision
1	Production, sale of standard and high quality products	88	60	7	3	3.47	0.67	Agree
2	Utilization of standard materials	70	72	9	7	3.30	0.77	Agree
3	Fair treatment to all customers	65	83	4	6	3.31	0.70	Agree
4	Using standard measurement	62	85	6	5	3.29	0.69	Agree
5	Payment of taxes	10	11	66	71	1.75	0.84	Disagree
6	Avoidance of sale of adulterated, expired and contaminated products	16	24	56	62	1.96	0.97	Disagree
7	Respect for customers right of choice, bargaining power	64	75	8	11	3.22	0.83	Agree
8	Meeting societal needs	59	81	9	9	3.20	0.79	Agree
9	Quality services at reasonable prices	68	77	5	8	3.30	0.76	Agree
10	Maintain a clean, hygienic business environment	71	61	16	10	3.22	0.87	Agree
<b>Grand Mean and Standard Deviation</b>						<b>3.00</b>	<b>0.98</b>	Agree

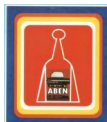
Source: Author's computation, 2019

Results from Table 1 legend indicates that responses from items 1-4, 7-10 rated above mean score of 2.50 showing agreement with the statements. Meanwhile, items 5, 6 negates the statements. Grand mean of 3.00 indicated respondents' alignment with the statements that there are standard business ethics required for entrepreneurs' success in OWLGA.

### Research Question 2

What are the challenges encountered by business practitioners in imbibing business ethics for effective service delivery?

**Table 2 Legend:** Mean scores and standard deviation of respondents on some challenges encountered by entrepreneurs in imbibing business ethics for effective service delivery



S/N	Item statement	SA	A	D	SD	Mean	SD.	Decision
1	Lack of proper ethical orientation/education	54	80	11	13	3.11	0.85	Agree
2	Unstable government policies	22	18	50	68	1.96	1.05	Disagree
3	Lifestyle of individual	26	34	52	46	2.25	1.05	Disagree
4	Environmental forces	70	83	5	0	3.41	0.55	Agree
5	Insufficient fund	91	61	4	2	3.53	0.61	Agree
6	Heavy taxes/duties	19	21	62	56	2.02	0.98	Disagree
7	Insecurity	73	65	12	8	3.28	0.81	Agree
8	High cost of living	56	72	16	14	3.08	0.90	Agree
9	High risk associated with newness in business	60	83	6	9	3.23	0.77	Agree
10	Inadequate infrastructure	63	82	10	3	3.30	0.67	Agree
<b>Grand Mean and Standard Deviation</b>						<b>2.92</b>	<b>1.01</b>	Agree

Source: Author's computation, 2019

Results from Table 2 legend reveals positive responses of respondents from items 1, 4, 5 and 7 to 10 while items 2, 3 and 6 contradicts the statements. The grand mean of 2.92 is also an indication that the participants affirmed the challenges encountered by business practitioners in OWLGA in imbibing business ethics for effective service delivery.

## Discussion

Findings of this study show that imbibing business ethics was beneficial to the production, sale of standard and high quality products in OWLGA, Ondo State. Nigerians are fond of craving for imported goods from overseas countries just because of the love for standard and high quality not minding the high cost. If products sold and services rendered by *entrepreneurs* in Nigeria are of high quality and standard, importation would be reduced and this will have a positive effect on Nigeria's economy. Moreover, fair treatment to all customers, respect for customers' right of choice and bargaining power is another business ethics that should guide the operation of the *entrepreneurs*. Meeting societal needs, quality services at reasonable prices, maintenance of clean and hygienic business environment are part of the ethics that *entrepreneurs* should imbibe for them to succeed and recover Nigeria's economy. When all these are learnt and strictly adhered to, truthfulness, transparency, accountability, due process, perseverance, prudence, modesty, self-control among others will be evident in the life of the *entrepreneurs*. This is in line with the views of Gana (2010). However, from the findings of this study, some of the respondents were of the opinion that SMSE should be exempted from payment of taxes and there is no need for avoidance of sale of adulterated, expired and



contaminated products so far they could get buyers for such product. These negates standard business ethics, buyers must therefore, beware.

Moreover, the study also established that *entrepreneurs* in the study area are faced with some challenges in imbibing standard business ethics for effective service delivery. Some of the identified challenges are lack of proper ethical orientation/education, insufficient fund, insecurity, high cost of living, high risk associated with newness in business, inadequate infrastructure and environmental forces. Some respondents disagree on unstable government policies, lifestyle of individual and heavy taxes/duties as part of challenges encountered by SMSE in imbibing business ethics. There is the need therefore, for public sensitization on business ethics required for *entrepreneurs'* success, lasting solution be proffered by the government and the citizenry to combat these challenges to enhance the speedy recovery of Nigeria economy. This is supported by the studies of Baba (2013), Sule (2014); Ogunjobi (2014); Marcin, Wojciech and Katarzyna (2015); Onajite and Onyeson (2016).

### Conclusion

Based on the findings of the study, it is concluded that for *entrepreneur* to succeed, they need to imbibe certain standard business ethics which will enhance faithfulness, diligence, accountability; fair deal with customers; transparency, utilization of standard measurement, payment of appropriate tax, production of quality and standard goods and services. If business ethics are imbibed, importation of goods and services would be reduced; indigenous industries encouraged then the *entrepreneurs* would definitely succeed in their various businesses.

### Recommendations

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

1. ethical education be made mandatory for all, both entrepreneurs and consumers.
2. Nigerians be committed to do what is right always;
3. Consumer protection/law enforcement agencies such as NAFDAC, SON, EFCC, ICPC be alive to their duties by re-emphasising and enforcing all the laws promulgated to enforce behaviour especially in businesses.
4. Government to provide suitable environment for *entrepreneurs*.

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