

# Ethical Practices and Organizational Sustainability of Oil Companies in Rivers State, Nigeria

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**Abstract:** *The study examined the relationship between ethical practices and organizational sustainability of oil companies in Rivers State, Nigeria. The cross-sectional survey was employed and a population size of one thousand, two hundred and fifty-two (1252) staff of oil companies in Rivers State were covered. A sample size of 297 employees were drawn from the population and the purposive sampling method was adopted. The Spearman Rank Order Correlation Coefficient was used to test the hypotheses. The result showed a positive and significant relationship between the dimensions of ethical practices (ethical training and code of ethics) with the measures of organizational sustainability (environmental and economic sustainability). The study concluded that ethical practice in terms of ethical training and code of ethics play a crucial role in boosting the sustainability of oil companies. Hence, it was recommended that ethics and accountability should be promoted by enacting, improving and effectively enforcing codes of ethics as such will enhance the environmental sustainability.*

**Keywords:** *Ethical Training, Code of Ethics, Environmental Sustainability, Economic Sustainability*

## 1.0 Introduction

Organizational sustainability has emerged as an important driver of growth, value creation, social relationship builder, a survival tool, for firms around the globe (Setia & Soni, 2013). Sustainability is the key reason why any organization exists. Organizations are established as a going concern; hence, it is expected to continue in perpetuity Ndubuisi-Okolo, Anigbuogu, and Onwuzuligbo (2015). Organizational sustainability is the ability of any establishment to better comprehend the role of their host communities, customers, employees, stakeholders and proffer solutions to their respective needs which ensures better cooperation with the organization (Epstein, Buhovac, & Yuthas, 2011). Sustainability focuses on investments in health, security, and social issues in addition to governance, (Emas, 2015). It takes into account environmental, social and economic dimensions and refer to a long-term perspective based on addressing the demands of the present responsibly without jeopardizing the capacity of future generations to address their own needs. In light of this, managers have to take into consideration not only increased sales and profits and/or lower expenses, but also the long-term growth of the company itself and the environment. The fundamental idea behind sustainability is to improve the societal, environmental, and economic frameworks in which a company operates. Organizational sustainability stresses on the concept of shared values which state that companies will have to develop a broader sense of what value means to society as a whole. According to Kanter (2011), businesses are increasingly conscious of the need to develop individuals as well as society while simultaneously pursuing financial success. Therefore, it is persuasively claimed that the

development, continuation, and existence of any organization providing goods or services is highly dependent on the economic, environmental and social conditions in the communities in which it operates (Aimkij, Mujtaba & Kaweevisultrakw, 2013).

Ethics is the concepts that outline behavioural norms and define what is right and wrong might be referred to as moral duties and obligations (Kuratko & Hodgetts, 2004). Today, organizations are driven with code of ethics which guides the action of employees in their dealings with customers and their colleagues. According to Cooper and Schinder (2001), goodbusiness is a function of good ethical practices. This determines the way employees and stakeholders are treated. Ethical responsibilities are those behaviors or activities expected of businesses by society and other stakeholders such as employees.

Ethical practices are the conscious compliance with the standard of morality that guides an individual and business to follow certain norms of conduct when dealing with people within outside the organisation (Ononogbo, Joel & Edeja 2016). Because of this, unethical business practises frequently mirror the values, views, opinions, and behavioural patterns of the organisational culture. Abiodun and Oyeniyi (2014) assert that whether business conduct and choices are deemed ethical or unethical depends on whether they uphold or jeopardise the principles and beliefs of the people involved and the environments in which they operate.

A company's reputation can be tarnished and its attraction to key stakeholders reduced by unethical behaviour or a failure to exhibit corporate social responsibility (Daft, 2001). The moral guidelines and norms that govern behaviour in the corporate sector are among the notions of business ethics; Companies that consistently demonstrate ethical behavior generate better results. Organisations are under increasing pressure to conduct their business ethically as well as in the most cost-effective, effective and productive way possible in order to improve performance (Khomba & Vermaak 2012). Organizations have realized that ethical misconduct can be very costly not only for the organization but also to society as a whole (Abiodun & Oyeniyi 2014).

Around the world, more businesses are making significant attempts to incorporate sustainability into their operations (Jones, 2003). However, the majority of businesses have kept the issue of sustainability apart from discussions of business tactics and performance evaluation, which are frequently dominated by solely economic performance indicators (Clarkson, 1995). More research is required to progress both theoretical and practical advancements in that management field.

Business continuity is primarily affected by the implementation of ethics in an organization's daily operations. Graafland, and Van-de-Ven (2006) state that corporate social initiatives, as the basis of corporate long-run goals, are genuinely guided by moral values or ethics. Business has an ethical duty to "give back" to society (Kotler & Lee, 2005), because this ethical duty could improve the profitability, enhance the reputation, and strengthen employee commitment to the firm, and also expresses an equally strong desire to "make the world a better place". Anupam, Dangayach, and Jain, (2011) states that there is an optimistic relationship between business ethics and business success. Therefore, this study seeks to reveal the presence of a favourable correlation between moral conduct and corporate sustainability of oil companies.

There is an increasing number of issues around non-sustainability in oil and gas companies and these issues could be traced to poor maintenance culture. Companies push their waste products and chemicals into the waterways, thus damaging the aquatic life and invariably

the source of livelihood. Maitland and Chapman (2014) noted, Oil spills has resulted in diverse damage of environmental assets, values and worth's and has also caused difficult situations and increased poverty level among the host communities. Adams and Jeanrenaud (2008) also noted that unsustainable business practises have been directly related to the damaging spread of cancer, therefore it is said to have adverse effect on the system that it draws from. Some of the problems caused by poor handling of excess gas includes, no portable water, loss of aqua-lives and vegetation, ozone layer depletion, etc. It is in line with the aforementioned that Reiman, and Oedewald, (2002) argued that unsafe practices, conditions and accidents are all symptoms of something wrong in the organizational system and that it is the job of management to control the hazards that proceed from their operations.

Intriguingly, Adams and Jeanrenaud (2008) found that a substantial degree of environmental damage has been caused by economic growth in their study on sustainability. The degradation of the environment is a result of businesses' ongoing expansion of their operations. Unsustainable practices by manufacturers have been unambiguously likened to harmful expansion of a cancer, due to the fact that it eats the very system it derives its source of living, from thereby lowering the ability of the organization to survive. Additionally, cultures are becoming more ethically conscious, which causes them to reject companies that are proven to be unethical (Ahmad, Amran, & Halim 2012). Therefore, it is on the basis of the aforementioned that this study seeks to investigate the relationship between ethical practices and organizational sustainability of oil companies operating in Rivers State, Nigeria.

### Objectives of the Study

The objectives of this study is to examine the relationship between;

Ethical training and environmental sustainability.

Ethical training and economic sustainability.

Code of ethics and environmental sustainability.

Establish the relationship between code of ethics and environmental sustainability.

### Research Hypotheses

The following hypotheses were stated in a null form.

**Ho1.** There is no significant relationship between ethical training and environmental sustainability of oil companies in Rivers State, Nigeria.

**Ho2.** There is no significant relationship between ethical training and economic sustainability of oil companies operating in Rivers State, Nigeria.

**Ho3.** There is no significant relationship between code of ethics and environmental sustainability of oil companies operating in Rivers State, Nigeria.

**Ho4.** There is no significant relationship between code of ethics and economic sustainability of oil companies operating in Rivers State, Nigeria.

## **2.0 Literature Review**

### **Concept of Ethical Practices**

According to Siham (2013), ethics can be referred to as a collection of principles which focus on the right conduct of individuals within a geographical jurisdiction. A further definition of ethical practices is the deliberate application of moral criteria of proper and improper, fairness, and equity to organisational decisions. Ethical behaviour would reveal everyone's thoughts to the educational system and there would be high level of consciousness towards doing what is right. Through ethical practices, organizations would not only be motivated to do what is right, but they would build the habit of doing the right things all the time and this would keep them at peace with their employees and host community, (Ogbuchi, Nwuche & Anyanwu, 2018)

Ethics are sets of beliefs and rules that guide an individual or a group's behaviour in terms of what is proper and improper (Sexty, 2011). As a result, ethics provide norms for what is appropriate and inappropriate in organisational behaviour and decision-making (Sexty, 2011). It addresses internal principles that make up company culture and influences choices about social responsibility in light of the surrounding environment.

Being ethical involves treating others with integrity and equity in all of your dealings with clients and colleagues (Daft, 2001). Ethical practice is a type of professional or applied ethics that studies moral or ethical issues that occur in an organisational setting (Stanwick & Stanwick, 2009). It is an umbrella term that covers all ethics-related issues that come up in the context of doing business. According to Sexty (2011), business ethics are the guidelines, norms, codes, or principles that provide direction for acceptable behaviour in managerial decisions regarding the company's operations and its relationships with the public. It is important to the behaviour of individuals as well as the whole organisation and is applicable to all facets of business behavior (Mitchell, Holtom, Lee, et al, 2001). Furthermore, ethical practices is the conduct that a company upholds in its regular interactions with its stakeholders (e.g., employees, customers, suppliers, immediate community and society in general) (Adda, Azigwe & Awuni, 2016).

The development of a corporate organisation depends on a strong code of ethics that serves as a guide for both management and staff alike in their day-to-day operations (Stevens, Steensma, Harrison & Cochran, 2005). The justification for ethics as a good practice is that ethical settings will foster an environment that will help ethical human resource practices grow (Buckley, Beu, Frink, et al., 2001).

### **Ethical Training**

Today's organizations have seen the need for employees' ethical behaviour in order to remain vibrant especially when the global climate and culture is undergoing serious challenges for those who are responsible for training and development. According to Palmer and Zakhem (2001), ethical training is a process whereby organizations develop and communicate ethical standards to employees. It is a process which makes employees aware of what constitute proper and improper conduct. This information is often

disseminated through formal learning processes and organizations also that such practices are monitored through the necessary to ensure there is a significant change in behaviour.

Ethical training is very important in today's business environment because it is through ethics that organizational sustainability can be validated. Loe and Weeks (2000) further assert that ethics training and development programs must go beyond the formal teaching of standard requirements to a process which can ultimately help employees learn how to recognize and effectively respond to some of the common ethical problems in the work place. Lechaire and Ferrell (2000) as cited in Ogbuchi, Nwuche and Anyanwu, (2018) also put it this way, "Organizational culture is shaped by ethical training". Ethical training helps employees develop more positive perception about organizational ethics while organizations without proper conduct of ethical training would always get employees who would always see ethics as a death trap.

The need for ethics training is important since effective communication alone is insufficient to put values into practise. Additionally, employees occasionally mistakenly believe they are ethical experts, ethical decision making but they might be unaware of the ideas of the actual evaluation process, implementation and consequences of the decision making. Everywhere around the world there is a great need for ethics training; properly and carefully designed ethics training programme can make a positive contribution. Although the benefits of ethics training can't be compared to those of other types of training, such as technical training, where you would see the results right away in the trainee's obviously learned information, this won't occur in ethics training but the impacts would be long lasting.

### **Code of Ethics**

A code of ethics, also called a code of conduct or ethical code, set out the company's value, ethics, objectives and responsibilities. Employees should receive instruction from a well-written code of ethics on how to handle specific ethical circumstances. Every code of ethics is unique and ought to capture the ethos, values, and conduct of the organisation. While some codes are lengthy volumes that cover a wide range of scenarios, others are brief and merely provide general instructions (Singh, 2017). To establish and to encourage ethical conduct, formal codes of ethics for organization members must be framed. These corporate codes of ethics vary in quality and substance. Some of these consist of a set of specific rules, a list of do's and don'ts. A code of ethics states an organization's basic and primary values and the ethical rules, so the rules of conduct are like a general value statement which lacks a framework of meaning and purpose.

Code of ethics often capture a vision of excellence towards the things organizations and individuals strive for and what they can achieve. Code of ethics set standard for organizations and employees to articulate special sense of responsibility. This is made possible through the process of rule establishment as supported by Henry Fayol in his 14 principles of management. Authors such as Rhode and Luhan (1992) had earlier argued that code of ethics are really not relevant for organizations. They argue that good people would ordinarily know how to behave without any form of guidance. However, Lichtenberg (1996) also asserts that codes are not for bad people but for persons who want to behave ethically.

Without codes of ethics, the bad people would look good and the good people would look bad because there would be no measurement standard.

### **Organizational Sustainability**

The definition of sustainability, according to Colbert and Kurucz (2007), is to "keep the business going," while another commonly used phrase in this context refers to the "future securing" of organizations. The phrase "accomplishing success today without jeopardising the demands of the future" is used by Boudreau and Ramstad (2005). Ford's Board of Directors established the Sustainability Committee, and its charter places a strong emphasis on sustainable growth, which is defined as "being able to meet the requirements of current clients while proactively taking into consideration the demands of future generations" (Ford, 2012). A corporate strategy that adds value while preserving and enhancing social, financial, and environmental capital is included in sustainable growth. According to Basiago (1999), sustainability refers to the ability to preserve an object, result, or procedure over time. However, published works on development, the majority of scholars, practitioners, and researchers (Tjarve & Zemte, 2016; Mensah & Enu-Kwesi, 2018; Thomas, 2015) utilise the notion to connote enhancing and maintaining a sound economic, ecological, and social system for human progress. According to Stoddart (2011), sustainability refers to the effective and proportionate allocation of resources through generations as well as the functioning of socioeconomic activities within the boundaries of a finite ecosystem. Contrarily, Ben-Eli (2015) views sustainability as an evolving equilibrium in the course of interacting between the population and the carrying capability of its environment, such that the population grows to express its maximum potential without having a negative impact on the carrying capability of the environment that it relies on.

The Chartered Institute of Personnel and Development (CIPD, 2012) defines sustainability in an organisational setting as "the principle of strengthening the societal, environmental, and economic frameworks within which a company functions." This introduces the idea of a three-way emphasis for businesses aiming for sustainability. Colbert and Kurucz's (2007) assertion that sustainability necessitates simultaneously focusing on the performance of the economy, society, and environment echoes this idea. The advancement of social sustainability is greatly aided by organisations, but the definition of organisational sustainability itself is still lacking (Osborne, Radnor, Vidal, et al. 2014; Weerawardena et al. 2010). Common synonyms for organizational sustainability included in the literature from various fields on sustainability are organisational feasibility and success. (Alexander 2000, Ruff 2006, Helmig, Ingerfurth & Pinz 2014, Van der Heijden 2004, Weerawardena et al. 2010); organizational longevity and continuity (Carroll & Stater 2009, Cullom & Cullom 2014) and, in some cases, growth (Ahlstrom 2010).

### **Environmental Sustainability**

In order to support human life, the natural environment must be resilient and productive. This is the idea behind environmental sustainability. According to Brodhag and Taliere (2006), environmental sustainability has something to do with the health of the ecosystem

and the capability of the natural world. According to Goodland and Daly (1996), it calls for the utilisation of natural capital as an outlet for waste and a source of economic inputs in a sustainable manner. The implication is that trash should not be produced or released into the ecosystem more quickly than it can be absorbed by the environment (Diesendorf, 2000; Evers, 2018). This is so that balance can be preserved within the constraints of the earth systems' limits or boundaries. Environmental sustainability can be defined as the process of meeting the needs of humans without compromising the health and safety of people as well as the eco system (Costanza, Robert & Bernard, 1995). Today, the concept of green commerce and green marketing have further explained the concept and goals of environmental sustainability as each business activity is often anchored on the preservation of the environment where humans live. Ecosystem ranges from those areas that are relatively undisturbed such as natural forests to landscapes with mixed pattern of individual use to eco systems which are managed by individuals such as urban areas, lands and agriculture.

The effects of climate change, for instance, provide a convincing argument for the need for environmental sustainability. Climate change refers to significant and long-lasting changes in the climate system caused by natural climate variability or by human activities (Coomer, 1979). These changes include warming of the atmosphere and oceans, diminishing ice levels, rising sea level, increasing acidification of the oceans and increasing concentrations of greenhouse gases (Du & Kang, 2016).

Climate change has already shown signs of affecting biodiversity. In particular, Kumar et al. (2014) have observed that higher temperatures tend to affect the timing of reproduction in animal and plant species, migration patterns of animals and species distributions and population sizes. While there are several catastrophic predictions, according to Ukaga, Maser, and Reichenbach (2011), the entire effects of global warming are unknown. What is clearly advisable, according to Campagnolo, Carraro, Eboli, et al. (2018) in order to be sustainable, all societies must adapt to the new realities surrounding the management of ecosystems and the physical boundaries of expansion.

The rate of extinction that occurs naturally is outpaced by the present loss of biodiversity (UNSD, 2018c). The boundaries of the world's biomes are expected to change with climate change as species are expected to shift to higher latitudes and altitudes and as global vegetation cover changes (Peters & Lovejoy (1992) cited in Kappelle, Van Vuuren & Baas (1999). The likelihood of a species surviving is decreased if it cannot adapt to unfamiliar geographic distributions. According to predictions, sea level rise might result in the loss of 20% or more of coastal wetlands by the year 2080 (UNSD, 2018c). All of these are significant environmental sustainability challenges because, as was already mentioned, they affect how the ecosystem can continue to be resilient and effectively stable in order to support human existence and growth.

Morelli (2001) is of the view that environmental sustainability has to do with promise of clean water, air and land while carrying out organizational activities. The United Nations and other regulatory bodies have over the years emphasized and reemphasized the need for sustainable environment because its outcome is a socio-economic system. Those found within tertiary institutions who are often custodians of training and development in relation

to environmental sustainability must be up and doing to ensure that the tight strategy is employed for every process.

### **Economic Sustainability**

Economic sustainability can be described as a process whereby there is a consciousness to maintain permanent income for humans. This income could be generated through non-declining stocks of capital (Spangenberg, 2005). In the macroeconomic debate, authors like Rennings (2000) and Bundeskanzleramt (2002) are of the opinion that criteria such as innovations, competitiveness and public debt are predominant while other criteria such as inflation and trade imbalances are politically induced. Etxezarreta, Hufschmid and Mazier (2003) are also of the view that criteria such as aggregate demand, savings rate and consumption level play a minor role in terms of economic sustainability.

Economic sustainability ensures that there is enough in the capital base for future use. According to OECD (2011), the main focus of economic sustainability is the provision of increasing stock of man-made capital as well as the degree to which such capital may be reduced from the accounts. Economic sustainability ensures that there is some sort of perceived growth which would be sufficient for all kinds of social improvement. According to Lobo, Pietriga, and Appert (2015), economic sustainability entails a production structure that meets current consumption levels without jeopardising demands for the future. Economic theory has historically overemphasised the market's ability to distribute resources effectively due to the assumption that the quantity of natural resources is limitless (Du & Kang, 2016). Additionally, they thought that technological development would follow economic expansion and help to replace the natural resources used in manufacturing (Cooper & Vargas, 2004).

It has been realised that natural resources are not limitless and that not all of them are renewable or replenishable. The natural resource base has become overstretched due to the expanding economic system, which has forced classic economic postulates to be reexamined (Basiago, 1996, 1999; Du & Kang, 2016). This has led a lot of academics to wonder if unrestrained growth and consumption are even possible. Economies consist of markets where transactions occur. According to Dernbach, (1993), In order to evaluate transactions and make decisions concerning economic activity, there exist governing frameworks.

Manufacturing, marketing, and consumption are the three main economic activities, but the accounting framework used to direct and assess the economy with reference to these activities significantly distorts values, which is bad news for humans and our surroundings (Cao, 2017). According to Allen and Clouth (2012), the earth's finite natural resources are used to sustain and preserve human life on the planet. Dernbach (2003) had previously stated that although human demands for food, clothes, and shelter increase as a result of increasing populations, the methods and resources accessible across the globe cannot be raised indefinitely to meet the demands. Additionally, Retchless and Brewer (2016) contend that because economic growth appears to be the main focus, significant cost factors are ignored, such as the effect of pollution and exhaustion, while rising interest for goods and services keeps propelling markets and compromise the harmful effects of the surroundings



(UNSD, 2018c). Economic sustainability, therefore, requires that decisions are made in the most equitable and fiscally sound way possible, while considering the other aspects of sustainability (Zhai & Chang, 2019).

### **Empirical Review**

Scholars has attempted to examine related concept over the years. Ugoani (2019) studied the effect of business ethics on organizational sustainability. According to the report, the necessity for the financial viability and long-term viability of international organisations means that business ethics today is a topic that is given a lot of attention. In order to assess the connection between organisational sustainability and business ethics, the study used an exploratory research design. Integrity and sound corporate governance are two factors that affect organisational sustainability and business ethics, among other things. Integrity as a component of business ethics is essential to minimizing some of the issues that a company's operations can face as a result of weak and ineffective corporate governance procedures and putting more emphasis on growth-maximizing tactics. 77 respondents participated in the study and data analyzed through descriptive, multiple correlation and regression statistical techniques showed strong positive relationship between the variables of study. The study further concludes that to improve the sustainability of the environment and the success of industrial organisations, it is crucial that issues causing environmental degradation be minimised.

Wesarat, Sharif, and Majid, (2017) investigated the role of organizational ethics in sustainable development. The idea of organisational ethics has received a lot of attention since it could be the key to long-term company success. This study views the foundation of organisational ethics as an integration of the ethical climate and culture in organisations, which has significant effects on ethical decision-making and results, which in turn could lead to sustainable development. The challenge of businesses is to remain ethical to stakeholders under conditions of uncertainty. They are expected to serve sustainable development not only for the benefits of themselves, but also the interests of others in society. This conceptual review recommends that businesses that aim to improving their ethical climate and ethical culture should be their main priorities, as these elements enable achieving sustainable growth.

Ogbuchi, Nwuche and Anyanwu, (2018) examined the extent to which ethical practices relates with organizational sustainability in tertiary institutions in Rivers State. The study covered University of Port Harcourt, Rivers State University, Ignatious Ajuru University of Education and Ken Saro Wiwa Polytechnic. Out of a population of 445, a sample size of 205 was derived using the Krejcie and Morgan table. The study hypotheses were tested using Spearman Rank Order Correlation and Partial correlation. The study thus found a significant relationship existing between ethical practices and organizational sustainability in tertiary institutions in Rivers State. The study further recommends that organizational leaders should hold the word 'ethics' as a watch word, led by example and ensure sanctions following unethical behaviors.

Geeta, Pooja and Mishra (2016) reviewed literature on ethical behaviour in organizations. The article tried to identify factors and variables which influences ethical behavior. This

study was divided into theoretical and empirical studies and its relevance to theory. Identified variables were divided into individual factors, organizational and external factors. Variables under these factors were locus of control, achievement orientation, Machiavellianism as individual variable. Ethics training, code of ethics and rewarding system are organizational variable. Competition, influence of stakeholders and regulation system are external variables. The study aimed to find out the development of trends from 70s to 2015 in the studies of ethical behavior. This review provides insights to the future researchers who want to research related to ethical behavior. This review also helps professionals to understand ethical behavior in context of their organization to manage ethical aspects in to their organizations in a better way.

Adda, Azigwe and Awuni (2016) studied business ethics and corporate social responsibility for growth and success. Due to an increasing perception of corporate misbehaviour, the ideas of ethical behaviour and corporate social responsibility have gained prominence in recent years in developed as well as developing nations. These two ideas can have a big impact on a firm. Since ancient times, people have believed that businesses have duties to society in addition to generating money for their owners. The paper addresses the concepts of business ethics and corporate social responsibility. From the perspectives of MBA students and managers, it came out that business ethics and social responsibility are very important for organizational growth and success. Specifically, they consider business ethics to lead to positive employee, customer and community relations. Not only that but also, they perceive that better public image/reputation; greater customer loyalty; strong and healthier community relations can inure to the benefit of corporations that are socially responsible. Implications of the findings are finally drawn.

### **3.0 Methodology**

The cross-sectional survey was used and one thousand, two hundred and fifty-two (1252) staff of 11 oil companies. The sample size of 297 employees was derived using the Krejcie and Morgan (1970) table. The purposive sampling technique was adopted. The predictor variable (ethical practice) was measured using ethical training and Code of ethics. 5 items were used in measuring each of the variable. The criterion variable was measured using environmental sustainability and economic sustainability. Each of the variable was measured using 4 items. The Spearman Rank Order Correlation was used in testing the hypothesis.

### **4.0 Results and Discussion**

From the 297 copies of questionnaire administered, only 254 were retrieved and used for the study.

**Table 1: Ethical Training and Environmental Sustainability**

			Ethical Training	Environmental Sustainability
Spearman's rho	Ethical Training	Correlation Coefficient	1.000	.423**
		Sig. (2-tailed)	.	.000
		N	254	254
	Environmental Sustainability	Correlation Coefficient	.423**	1.000
		Sig. (2-tailed)	.	.
		N	254	254
**. Correlation is significant at the 0.01 level (2-tailed).				

The finding on the correlation between ethical training and environmental sustainability is positively and significantly correlated ( $\rho = 0.423$ ). The coefficient of determination ( $r^2 = 0.17$ ) indicates that 17% variation in environmental sustainability within the organization is attributed to the level at which the organization is able to incorporate ethical training. The significant value of 0.000 ( $p < 0.05$ ) reveals a strong and positive relationship. Thus, the null hypothesis was rejected

**Table 2 Ethical Training and Economic Sustainability**

			Ethical Training	Economic Sustainability
Spearman's rho	Ethical Training	Correlation Coefficient	1.000	.613**
		Sig. (2-tailed)	.	.000
		N	254	254
	Economic Sustainability	Correlation Coefficient	.613**	1.000
		Sig. (2-tailed)	.000	.
		N	254	254
**. Correlation is significant at the 0.01 level (2-tailed).				

The significant value of 0.000 ( $p < 0.05$ ) reveals a strong and positive relationship between ethical training and economic sustainability. Thus, the null hypothesis was rejected, while the alternative hypothesis which states that, there is a significant relationship between ethical practices and economic sustainability was accepted.

**Table 3 Code of Ethics and Environmental Sustainability**

			Code of Ethics	Environmental Sustainability
Spearman's rho	Code of Ethics	Correlation Coefficient	1.000	.761**
		Sig. (2-tailed)	.	.003
		N	254	254
	Environmental Sustainability	Correlation Coefficient	.761**	1.000
		Sig. (2-tailed)	.003	.
		N	254	254
**. Correlation is significant at the 0.01 level (2-tailed).				

The finding on the correlation between code of ethics and environmental sustainability is positively and significantly correlated ( $\rho = 0.761$ ). The coefficient of determination ( $r^2 = 0.58$ ) indicates that code of ethics account for 58% change in environmental sustainability. The significant value of 0.003 ( $p < 0.05$ ) reveals a strong and positive relationship. Thus, the null hypothesis was rejected, while the alternative hypothesis which states that, there is a significant relationship between code of ethics and environmental sustainability was accepted.

**Table 4 Code of Ethics and Economic Sustainability**

			Code of Ethics	Economic Sustainability
Spearman's rho	Code of Ethics	Correlation Coefficient	1.000	.575**
		Sig. (2-tailed)	.	.000
		N	254	254
	Economic Sustainability	Correlation Coefficient	.575**	1.000
		Sig. (2-tailed)	.000	.
		N	254	254
**. Correlation is significant at the 0.01 level (2-tailed)				

The finding on the correlation between code of ethics and economic sustainability is positively and significantly correlated ( $\rho = 0.575$ ). The coefficient of determination ( $r^2 = 0.33$ ) indicates that code of ethics account for 33% change in economic sustainability. The significant value of 0.005 ( $p < 0.05$ ) reveals a strong and positive relationship. Thus, the

null hypothesis was rejected, while the alternative hypothesis which states that, there is a significant relationship between code of ethics and economic sustainability was accepted.

#### **Discussion of Findings**

This study examined ethical practice and how it relate with sustainability of firms. The detailed observation is given as follows;

##### **Ethical Training and Organizational Sustainability**

The findings from the study revealed that ethical training is a significant predictor of organizational sustainability, this indicates that sustained business ethics is necessary for organizational sustainability. Payne & Raiborn (2001) affirmed that the firms that focused efforts on organizational ethics were more likely to achieve sustainable development. This is in line with the conclusions of Kooskora (2008) who stated that the interests of organizational stakeholders: such as employees, suppliers, customers, etc., should be protected to achieve sustainable organizational success. Also, Magil & Prybil, 2004 established that ethics affects daily behaviours and decision making at all organizational levels. Organizations can manage ethics in their workplaces by establishing ethics management programs that convey their corporate values, codes and policies to guide decisions and behavior. Specifically, it was revealed that ethical code and training is important for business growth. Also, in line with previous research (e.g., Kaptein & Schwartz, 2008), it was found that training employees on best ethical practices can lead to positive employee relations

##### **Code of Ethics and Organizational Sustainability**

The findings from the study revealed that code of ethics is a significant predictor of organizational sustainability and its measures. This is so as the key elements of ethics that influences organizational sustainability includes but is not limited to integrity, good corporate governance, among other variables; these elements are a function of code of ethics and is crucial for growth maximizing strategies. Salvioni, (2010) concludes that ethical practices procure fundamental elements for the firm's decision-making system; empower the intermediation between stakeholders' expectations and managerial behaviors; encourage the firm to act in accordance with laws and internal regulations; and guarantee the completeness and transparency of disclosure. Also, Wesarat, Sharif, and Majid, (2017) concludes that businesses that aim to improve their ethical atmosphere and ethical culture, as these elements promote achieving sustainable growth, in order to achieve sustainable growth.

#### **5.0 Conclusion and Recommendations**

Organizational sustainability is attained by promoting ethics; also, putting checks to manage unethical behaviour boosts organizational performance. Ethics plays a role that influences how well the firms operate to meet the desires and interests of their stakeholders without harming other people in the society. Ethical practices would consider sustainable practices that extend beyond legislated obligations. Ethical practices, assumes great relevance for the sustainability promotion as it provides strategies and processes which assure smooth business operation. This study explored the relationship between ethical practices and organization sustainability on the concept that ethical training and code of ethics among others are critical in enhancing economic and environmental sustainability. In conclusion, ethical practice in

terms of ethical training and code of ethics play a crucial role in boosting the sustainability of oil companies. Hence, it is recommended that;

- i. Ethics and accountability should be promoted by enacting, improving and effectively enforcing codes of ethics as such will enhance the environmental sustainability.
- ii. Organizations should make corporate social responsibility a priority and matters leading to environmental degradation must be minimized as such will help enhance the sustainability of the firm.
- iii. Managers should maintain a balance that responds to the concerns of all stakeholders and the society in general so as to achieve sustainable organizational success.
- iv. Organizations should be socially responsible and should act in utmost integrity as such will enhance their ethical practices and boost the firm's sustainability.

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