Academic Scholars Publishing League (ASPL)
International Journal of Management Sciences
ISSN: 2360-9944 | Volume 8, Issue 6 | December, 2020 | Pages 17 – 27
asplpapersubmit@gmail.com

Workplace Ethics and Organizational Success of Constructions Companies in Port Harcourt, Rivers State, Nigeria

Samuel Azowa & Dr. E. Tantua Jnr.
Department of Office and Information Management, Faculty of Management Sciences, Rivers, State University, Nkpolu-Oroworukwo, PMB 5080, Port Harcourt, Nigeria

Abstract: *The purpose of this study was to investigate the relationship between workplace ethics and organizational success of construction sector in Port Harcourt, Rivers State. The study used cross sectional survey design. The population of the study comprised of 165 staff of five (5) construction companies in Port Harcourt, Rivers State, sample size of 116 employees were sampled using the Krejcie and Morgan determination table. Data collection was done using structured close ended questionnaire based on the sample of the study and retrieved for analyses. Analyses of collected data were done using Pearson Product Moment Correlation Coefficient through the help of Statistical Package for Social Sciences (SPSS). The findings show significant relationship between the three dimensions of workplace ethics – transparency and the two measures of organizational success – growth and market share, and the two measures of organizational success. Therefore, we recommended that, management of organizations should provide an enabling or supportive work environment that will help and motivate employees to put in their best in service through transparency, when carrying out punitive measures on violators of ethical conduct.*

Keywords: *Workplace Ethics, Organizational Success, Transparency Growth and Market Share*

INTRODUCTION

Ethics is a critical issue in today's workplace. If employers and employees don't consistently follow high standards conduct, organizations cannot prosper. Ethics is the system of moral principles, rules and conduct. The word ethics originated from Latin word Ethicus or in Greek Ethicos. These two words are derived from 'Ethos' meaning character or ideal standards of human behaviour. Workplace ethics is the process of acting morally to the set standards of rules and behaviour to avoid harm to others when carrying out organizational activities Ugoji (2009). It is a group of moral principles, standards of behaviour, or set of values regarding proper conduct in the workplace. As workplace ethics involved moral principles, standards of behaviour, or set of values regarding proper conduct in the workplace, employees or employers who act against these principles and set values is acting unethically. If criminality is considered to be unethical practice, an employee who steals organizational properties or harms his/her co-workers is practices unethical behaviour.

Jones, George and Hill (2000), defines ethics as moral principles or beliefs about what is right or wrong. These beliefs guide individuals in their dealings with other individuals and groups (stakeholders) and provide a basis for deciding whether behaviour is right and proper. Workplace ethics is tailored towards inculcating set standards of behaviour among workers in the organization. In today's competitive world every organization is facing new challenges regarding sustained productivity and creating committed workforce. Now our days no organization can perform at its peak levels unless each employee is committed to the organizations objectives. Hence, it is important to understand the concept of organizational success and its feasible outcome.

Organization is a social unit of people that is structured and managed to meet a need or to pursue collective goals or organization is a systematic arrangement of people to accomplish the same specific purpose. Every organization is composed of three elements i.e. people, goals and system. The purpose is expressed as goals generally. Each organization has a systematic structure that defines members and some members are managers and some are operatives. Thinking along this line, Caroline (2008) in her opinion stated that organization is a social entity whose goal is directed, deliberately structured activity systems with a permeable boundary. They have reached to every corner of the globe in various sizes, capabilities and influenced societal growth. Their success has influenced economics and various aspect of social landscape.

However, organizational success 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 were decision can be reached concerning the future of the organization as well as the individual that drive the success of the organization.

According to George and Jones (1996), organizational ethics are rules, beliefs, and values that outline the way manager and workers should behave when confronted with a situation in which their action can help or harm other people inside and outside the organization. According to them, ethical behaviour can enhances the well-being (happiness, health, and prosperity, etc), of individuals, group, and the organization, and sometimes the environment in which they operates. An ethical workplace begins with an honest and objective assessment of an organization's existing ethical culture. The Ethical Workplaces are designed to assist organizations in determining staff perception of organizational policies and practices related to ethics. Appropriate use of this practice will help organizations to identify strengths, weaknesses and opportunities as well as to begin a dialogue relative to workplace ethics.

Furthermore**,** this study was guided by the following research questions:

i. To what extent does transparency enhances growth in the construction sector in Rivers State, Nigeria?

ii. To what extent does transparency enhances market share in the construction sector in Rivers State, Nigeria?

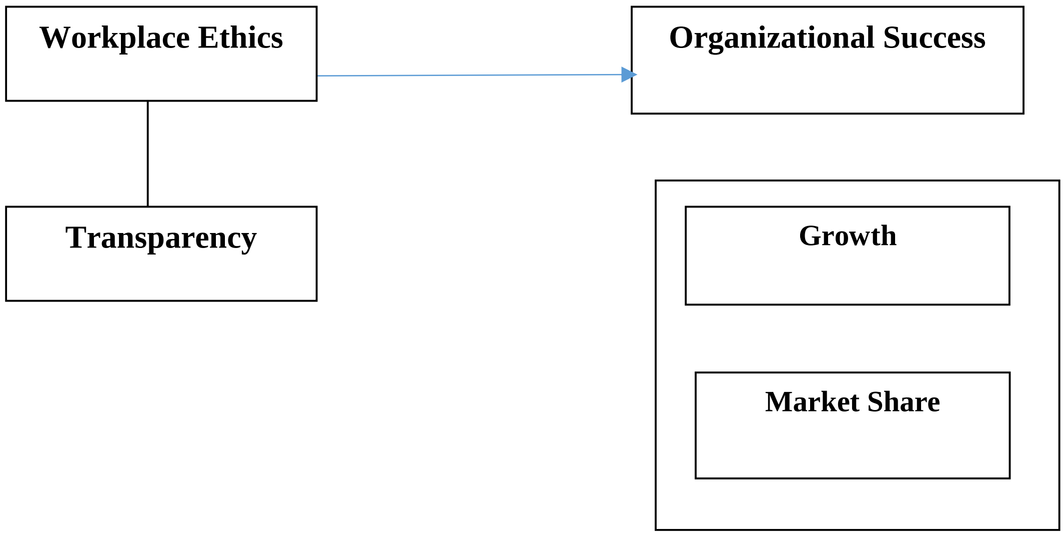

Fig.1 Conceptual Framework for the relationship workplace ethics and organizational success

Source: Desk Research (2020)

LITERATURE REVIEW

Theoretical Foundation

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 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 bases of workplace ethics.

Workplace Ethics

Workplace ethics is a system of moral principles applied in the workplace. It is a whole new scientific area because it combines law theory and politics as much as philosophical and historical documents. Ethics become a term very flexible and have many different aspects. Workplace ethics provide guidelines for acceptable behaviour by organizations in both their strategy formulation and day-to-day operations. An ethical approach is becoming necessary both for corporate success and a positive corporate image. Especially nowadays ethics in the workplace are obligated because many organizations are only interested in making money despite the ethical costs or the harm they would probably cause to people or even to nature (environmental pollution). Corporate social responsibility defines all the cases of ethics that organization can follow effectively. Many organizations are choosing to make a public commitment to ethical workplace by formulating codes of conduct and operating principles. In doing so, they must translate into action the concepts of personal and corporate accountability, corporate giving and corporate governance Broni, (2010).

Workplace ethics is a form of applied ethics that examines ethical principles and moral or ethical problems that arise in a work environment Solomon, (1991). It applies to all aspects of business conduct Baumhart, (1968), Ferell - Fraedrich, (1997) and Singer, (1991), and is relevant to the conduct of individuals and business organizations as a whole Bernard, (1972), Donaldson, (1982). Applied ethics is a field of ethics that deals with ethical questions in many fields such as technical, legal, business and medical ethics Preston, (1997). Workplace ethics consists of a set of moral principles and values. Jones - Parker - Bos, (2005) stated that workplace ethic govern the behaviour of the organization with respect to what is right and what is wrong in the workplace. Badiou, (2001), Seglin, (2003). It spells out the basic philosophy and priorities of an organization in concrete terms French, (1979); French, (1995). It also contains the prohibitory actions at the workplace, Collier - Esteban (2007); Duska, (1999). It provides a framework on which the organization could be legally governed. With time, certain moral philosophies have helped in the evolution of four basic concepts of ethics. They are deontologism, relativism, egoism, and utilitarianism Kotsiris, (2003). Workplace ethics is the behaviour that an organization adheres to in its daily dealings with the world and among members of the organization Borgerson - Schroeder, (2008). The ethics of a particular workplace can be diverse Solomon, (1983). They apply not only to how the business interacts with the world at large, but also to their one-on-one dealings with a single customer (Solomon, 1991).

Transparency

Transparency according to Clark (2004), is the ease with which an outsider is able to make meaningful analysis of a company's transactions, its economic fundamental and non-financial aspects pertaining to that business. It has become increasingly significant in recent times that organization give detailed information about its activities that cannot readily be quantified in financial terms at that point in time but which nonetheless has far reaching implications on organizations. It is a measure of how good management is at making information available in candid, accurate and timely manner, not only in audit data but also in general reports and press releases. Transparency according to Hallak and Poisson (2007) requires clearness, honesty and openness. It is the principle that those affected by administrative decisions should be informed and the duty of civil servants, managers and trustees to act visibly, predictably and understandably. Corporate governance at its core involves the monitoring of the corporation's performance and the monitor's capacity to respond to poor performance – the ability to observe and the ability to act, Nwinyokpugi, (2017). Transparency goes directly to the equity market's ability to observe a corporation's performance. Most information concerning a corporation's performance is uniquely available from the corporation. Without effective disclosure of financial performance, existing equity investors cannot evaluate management's past performance, and prospective investors cannot forecast the corporation's future cash flow. Equity investment requires good corporate governance, and good corporate governance requires the capacity to make credible disclosure of financial results. In the absence of effective financial disclosure, a country's capacity to support equity markets and, in turn, important kinds of industry, is compromised. Effective corporate governance also requires a second form of transparency – ownership transparency. Shareholders can suffer from poor corporate performance; however, they also can suffer from a controlling shareholder's divergence of earnings or opportunities to itself (Gregory and Simms, 1999).

Organizational Success

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 success has influenced economics and various aspect of social landscape. However, organizational success 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 were 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 success 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.

Growth

The process of improving some measures of an enterprise: it can be achieved either by boosting the top line or revenue of the business with greater product which will in return sustain the business. Deal and Kennedy (1992), states that effective growth ensures the availability of well-trained managers who understand the organisation's mission, values, culture and strategy. These managers have virtually "grown up" in the organisation, they identify with its mission, have assimilated its values and have been socialised into its culture. Such characteristics have been associated with more effective individual and organisational performance.

Rhodes (1998), agrees that business growth can be an important element in achieving competitive advantage, so long as it is viewed and structured as both a strategic and tactical process. However, he stipulates that it cannot be cumbersome, overweight, and slow focused on hypothetical situations. Rather, it must be forward looking, flexible, lean, decisive and results oriented.

Market Share

The relationship between market share and profitability continues to be a critical research issue in business strategic management in the world. There is growing pressure to make the right decisions quickly and one of the challenges facing managers is how to increase business profits in the competitive business world today. In order to do this, managers need to understand the factors that increase profitability. Several previous studies have linked market share with profitability Buzzel et al. (1975); Rumelt (1991) and McGahan and Porter (1997).

Woo (1981), stated that though the correlation between market share and profitability has been sustained over the years, it remains a generalization which has been over-extended and accepted without acknowledgement of all its attributes. The general question has always been whether establishing a high market share would ensure greater profits. Researchers who have investigated this question have not succeeded in resolving this dilemma and therefore the question remains. The close association between market share and profitability is strongly acknowledged by managers and management scholars as a basic premise of business strategy.

Given the high cost and high risk associated with share building, it is necessary that managers have clearer evidences of the benefits and chances of success for such commitments and it is sufficiently vague to warrant caution against a market share strategy to enhance profitability.

Workplace Ethics and Organizational Success

It is apparent that in many organizations, today, there are generally accepted unethical practices. Such organizations where managers are only profit- driven without adhering to ethical principles have often resulted in situations where they are being called for explanation and then asked to pay the necessary fines that follow, thereby distracting and disrupting the main focus of the organization. Ethical practices by managers cannot be over- emphasized. It builds trustworthiness, good reputation and confidence in the organization's stakeholders and shareholders. Marot and Dunn (2010) puts it that ethical managerial practices as included in the behavior of an organization has been shown to possess channels that affect the results organization achieve in the form of ethical decision-making, creativity, trustworthiness safety and resilience. In the same vein, Schoeman (2014) admits that ethical managerial practices are important to a lot of important business results and that it differentiates conspicuous organizations from the ordinary.

Transparency, even though it has been regarded as an essential constituent of good governance and democratic politics since long ago (Hood & Heald, 2006), has been treated as a "peripheral concept" to organizational theories until the late 20th century; and henceforth started to drag significant attention of research (Patel, Balic, & Bwakira, 2002). More formal studies on transparency in organizational research domain have taken place in the past two decades. There are considerable number of studies that empirically examine the relationships between transparency and organizational outcomes. Many studies in the fields of public and private management have established that transparency has positive effects on organizational outcomes (Fleischmann & Wallace, 2005). It has been established that transparency contributes to productivity of the organization through increasing the employees' faithfulness to the organization (Cucciniello & Nasi 2014).

The study postulates the following hypotheses to be tested:

H_{01}: There is no relationship between transparency and growth in the construction sector in Rivers State, Nigeria.

H_{02}: There is no relationship between transparency and market share in the construction sector in Rivers State, Nigeria.

METHODOLOGY

The study adopted the cross-sectional survey in its investigation of the variables. Primary data was sourced through structured questionnaire. The population of the study comprised of 165 staff of five (5) construction companies in Port Harcourt, Rivers State, sample size of 116 employees were sampled using the Krejcie and Morgan determination table. The research instrument was validated through by experts as provided by supervisors vetting and approval while the reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring coefficients above 0.70. The hypotheses were tested using the Pearson Product Moment Correlation. The tests were carried out at a 95% confidence interval and a 0.05 level of significance.

DATA ANALYSIS AND RESULTS

Bivariate Analysis

The Pearson Product Moment Correlation is calculated using the SPSS 21.0 version to establish the relationship among the empirical referents of the predictor variable and the measures of the criterion variable.

Table 1: Correlation Matrix for transparency and organizational success

		Transparency	Growth	Market share
Transparency	Pearson Correlation	1	.733**	.724**
	Sig. (2-tailed)		.001	.002
	N	90	90	90
Growth	Pearson Correlation	.733**	1	.888**
	Sig. (2-tailed)	.001		.000
	N	90	90	90
Market share	Pearson Correlation	.724**	.888**	1
	Sig. (2-tailed)	.002	.000	
	N	90	90	90

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

$H_{o1:}$ There is no significance relationship between transparency and growth in the constructions companies in Port Harcourt, Rivers State.

$H_{o2:}$ There is no significance relationship between transparency and market share in the constructions companies in Port Harcourt, Rivers State.

The table 1shows the correlation for hypothesis one and two. The correlation for hypothesis one shows a significant correlation at r = .733** where P-value = .000 (P<0.001). This implies a strong and significant relationship between both variables at 95% level of confidence. We therefore reject the no hypothesis (Ho:$_1$), and upheld the alternate hypothesis, thus, there is a significance relationship between transparency and growth.

The correlation for hypothesis two shows a significant correlation at r = .724** where P-value = .000 (P<0.001). This implies a strong and significant relationship between both variables at 95%

level of confidence. We therefore reject the no hypothesis ($Ho:_2$), and upheld the alternate hypothesis, thus, there is a significance relationship between transparency and market share.

DISCUSSION OF FINDINGS

The results from the test of hypotheses revealed that there is a significant positive relationship between workplace ethics and organizational success of selected constructions companies in Port Harcourt, Rivers State. This finding support the study conducted by Clark (2004), who stated that, the ease with which an outsider is able to make meaningful analysis of a company's transactions, its economic fundamental and non-financial aspects pertaining to that business. It has become increasingly significant in recent times that organization give detailed information about its activities that cannot readily be quantified in financial terms at that point in time but which nonetheless has far reaching implications on organizations.

CONCLUSION AND RECOMMENDATIONS

The study workplace ethics and organizational success is synonymous with organizations. This is because every organization must have set standard rules, principles guiding the workers. These mode of conducts and rules that bonds the employees and employers together to influences the strength of employees comprising of work, career and organizational success that brings increase productivity. Effective workplace ethics increases the level of organizational success in terms of service rendered thereby strengthening the organizational competitive power that leads to growth and high market share. The culture of a workplace controls their ethical behaviour and organizational success that take care of their challenges for sustained productivity. This means that effective workplace ethics practices that guides and protects the interest of their employees with good supportive work environment motivates workers to perform at their maximum level. The study provides insight of how workplace ethics could be used to build and sustained organizational success for increase productivity. The result of the analysis which serves as evidence from the study led to the conclusion that elements of workplace ethics has significant and direct association with the indicators of organizational success (growth and market share).

Based on the foregoing conclusions, the following recommendations are suggested.

Management of organizations should provide an enabling or supportive work environment that will help and motivate employees to put in their best in service through transparency, when carrying out punitive measures on violators of ethical conduct.

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