

# IMPACT OF ETHICAL ISSUES ON WORKPLACE DEVIANT BEHAVIOUR IN FOOD AND BEVERAGES COMPANIES IN KADUNA

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## ABSTRACT

*This study assesses the impact of ethical issues on workplace deviant behaviour in Food and Beverages Companies in Kaduna. The Kerjcie and Morgan (1970) Sample size determination table ass used to determine the sample size is 297. The research design was quantitative design. The source of data collection was primary source of data collection. The method of data analysis was multiple regression. The findings of the study show that workplace deviant behaviour in food and beverages organization is found to be insignificant and statistically has a negative effect on performance of Food and Beverages Companies in Kaduna. The study recommends that Firms, management and organizations should pay greater attention to integrity in determining their optimal ethical issues in management by maintaining a work place culture of trust, respect, professionalism to achieve optimal level of performance of their core business operations.*

**Keywords:** Transparency, Integrity and Performance.

## INTRODUCTION

In the business world, the organization's culture sets standards for determining the difference between good and bad decision making as well as behaviour. Business ethics attract investors due to high ethical values of the organization. Consistent business ethical behavior helps in building a good reputation for the organization and competitive advantage (Khan, 2014). Business ethics refers to moral principles that guide the way a business behaves. The same principles that determine an individual's actions also apply to business. Business ethics is the set of moral rules that govern how businesses operate, how business decisions are made and how people are treated (Cole, 2012).

Ethics is the heart of all forms of operation in an organization and it is expected that business owners will adopt a degree of ethics in their business and practice. The Nigerian beverages industry is not a new trend to the questionable stories of unethical practices, which continue to be heard and read unabated. Ethical issues at workplace could range in different dimension, and it is as old as the first organization established in the country. Ethical issues results from a situation or problem where an individual or group of persons will have to choose between the alternatives of what is right (ethical) or wrong (unethical) after a careful evaluation (James, 2013).

In a global business environment of the 21st Century, investors have the responsibility of creating codes of conduct and ethics to which every member of that organization must abide by. An ethical issue is an identifiable problem, situation, or opportunity that requires a person to choose from among several actions that may be evaluated as right or wrong, ethical or unethical. In business, such a choice often involves weighing monetary profit against what a person considers appropriate conduct. The best way to judge the ethics of a decision is to look at a situation from a customer's or competitor's viewpoint (Khan, 2014).

Ethical issues and concerns have over the time grown in organizations, especially when it concerns quality, care, affordability, safety, finance, acquisition and mergers, advanced medical technology and other complex issues that affect decision and policy making where life is concerned (Adenubi, 2010). This brings to mind certain unanswered questions such as: How is it expected that people will make informed choices without having relevant information within their reach? Why is policy making still a major challenge in the Nigerian food and beverage sector?

The main objective of the study is to assess the impact of ethical issues on workplace deviant behavior in Food and Beverages Company in Kaduna. The specific objectives of the study are to:

- i. determine the impact of transparency on workplace deviant behaviour in Food and Beverages Company in Kaduna State.
- ii. assess the effect of Integrity issues on the workplace deviant behaviour in Food and Beverages Company in Kaduna State.

The following are the formulated null hypotheses for this study:

$H_{01}$ : There is no significant relationship between transparency and workplace deviant behaviour in Food and Beverages Company in Kaduna State.

$H_{02}$ : There is no significant relationship between integrity issues and workplace deviant behaviour in Food and Beverages Company in Kaduna.

## LITERATURE REVIEW

### Theoretical Foundation

#### Deontology Theory

Deontology theory, states that individuals should focus on obligations/duties once decision is to be made and ethics is to play a part. Meaning, one must follow their obligations to another society or individual to uphold a duty of what is ethically considered to be correct. Example, one who is a deontologist always keeps promises made to friends and always law abiding. A believer of deontological theory always produces consistent results and decisions because it is usually based on the set of duties for the individual (Stone, 2001). The Deontology theory was adopted for the study theoretical framework as it provided a background and a guide linking the variables of the study. The theory shows how contradictory aspects of set rules, standards and obligations could conflict and result to ethical issues which tends to reduce customer's satisfaction with health care service and subsequently have impact on sales performance.

#### Concept of Ethics

Ethics generally, are moral guidelines that are set to guide individuals' and organizations' actions and operations. But ethical issues are not as simple as they seem; they are indeed complex. In fact, ethics is a controversial issue, in that, what could be ethical to one organization may be unethical to another (Ronald,

2012). Behaving in an ethical manner is however seen as part of the social responsibility of organizations, which itself is hinged on the philosophy that organizations ought to impact the society in ways that transcend the profit maximization objectives (Adenubi, 2010). Morals spring virtually from every decision and managers are encouraged to have moral obligations towards an organization performance and that of the society at large.

For an organization to move forward in the aspect of performance, it is important for such an organization to have a good understanding of ethics and to take it seriously as this can undermine the competitive strength and capability of the organization. Shaw (2014) defines ethics as principles or values that guide behaviour. Within the organizational settings, these values are embodied in virtues such as transparency, honesty, compassion and loyalty. This study focuses on transparency as a dimension of ethics.

### **Transparency**

Transparency, a key indicant of ethics, is not all about just gathering information; the more open and easy it is for people to gather information the greater the transparency. Transparency may be seen as a double edge word that pierces like any other sword or blade, so much that it creates fear in the regulations of government and might result to great loss of flexibility. Therefore, there is a call for healthcare sector to fully embrace transparency as a norm and valuable means to evaluate the performance progress of their programmers, profits, growth and actions (Muller, 2007).

Cornwall (2007) holds that, transparency should have fast moved into the mainstream of development and aid, but it is still at a point where it's at the risk of becoming buzzwords. Goldfrank (2006) opines that budget monitoring, monitoring public expenditure through social audits, participating audits and tracking surveys and advocacy for budget transparency be made open.

### **Integrity**

Kirsch, (2011) defined integrity as what an individual does when nobody else is around, or what organizations regularly do and how they do it. The integrity concept includes a nonstop consistency in values, expectations, methods, actions, measures, outcomes, and principles. Integrity means our actions are honest and trustworthy. Many managers take integrity as an important factor to hire a potential candidate. A major tool to first look at is the integrity on the resume of a potential candidate before hiring.

A candidate can list integrity as a resume to add to his/her values. Other common ways to determine a person's integrity includes, asking questions that specifically relates to integrity during the process of interview, conducting a check on the background and assessing integrity-related questions. Integrity is so important in the workplace that Warren (2014) said that hiring “people with integrity” is a top priority when selecting a candidate. An individual's integrity comes in diverse ways, this depends on the viewer and those perceiving it. To hire people with integrity, there must be an establishment of trust in the culture of the work place, and professionalism and respect must be fully established.

### **Concept of Workplace Deviant Behavior**

Workplace deviant behavior (WDB) has been conceptualized as behaviours that are unproductive, damaging to organizational goals and harmful to the organization by directly affecting its functioning or property, or by hurting employees in a way that will reduce their effectiveness (Mann, 2012). Similarly, Klotz and Buckley, (2013) viewed counterproductive behaviours as voluntary behaviours that violate important organizational norms and threaten the well-being of organizations, its members, or both. Generally, WDB connotes behaviours that are harmful and directly affects organizational functioning or property by impacting on employees in a way that reduces their effectiveness (Roy, 2012). WDB is antisocial organizational behaviour, organizational misbehavior, organizational deviance, employee withdrawal, dishonesty, dysfunctional behavior, counterproductive behaviour (Everton, 2007).

### **Empirical Review of Related Studies**

Ndabahahiye (2013), assessed the impacts of employees ethical conducts on organizational performance. The researcher used questionnaire to collect data. Survey monkey software, was also employed for semi-structured Interviews, analysis which were flexible and documented as it is sensitive to its social context. Quantitative data were analyzed using computer software, Statistical Package for Software System (SPSS) version 16. The study reveals that a significant relationship exist among employee's organizational performance and ethical conducts.

Kenneth and Chukwuma (2015), examined business ethics and corporate performance in the banking industry. The study was designed to examine the direction and magnitude of the relationship between Business Ethics and Corporate Performance in the Banking Industry with focus on selected banks in

the South East, Nigeria. The study employed a survey type of research of which correlation design was used to determine the degree of the relationship between the studied variables. Structured questionnaire designed in an open-ended question were administered to the sample drawn (170) from the population of the study. The study concludes that the employment of ethical management practices within their operational system would enhance their performance.

Ebitu and Beredugo (2015), examined business ethics and the performance of service firms in Calabar, Cross River State, Nigeria. The study 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 used descriptive research design while taking to cognizance selected Banks and GSM firms in Calabar data was collected from a respondent 176 in Cross River State. Chi-square ( $X^2$ ) was used to test hypothesis and all were supported by literatures that were extant. Results shows that the effective performance of service industry was fully dependent on code of ethics [ $X^2 \text{ cal} = 18.082 > t 0.05 = 7.815$ ] and that the compliance level of established code of ethics for service industry was high [ $X^2 \text{ cal} = 13.801 > t 0.05 = 7.815$ ]. Findings require specific procedures to regularly identify and address issues of ethical misconduct; and it is important for organizations to increase punitive measures to violators of ethical codes.

Adeyeye, Adeniji, Osinbanjo and Oludayo (2015), conducted a study on the effect of workplace ethics on employees and organisational productivity in Nigeria. A descriptive survey research was adopted for the study. A hundred and eleven (111) valid questionnaires were administered to Government Employee Establishments, Indigenous, Organised Private Sector, Lebanese and Asian Companies operating in Oshodi, Ikeja Ikorodu, Iganmu and Isolo Industrial Estates of Lagos State, Nigeria. Secondary data were documented as evidence which was reviewed and also used for the purpose of the study. Random sampling procedure was carried out. Retrieved data were analyzed through the aid of Structural Equation Modelling (SEM) and it was supported by a descriptive statistic. All items were based on a 5-Point-Likert scale. The study hypothesis was adopted by AMOS 22; SPSS was used to present data while (SEM) Structural Equation Modeling was used because of its flexibility and generality to evaluate the correlation and regression validity between observed proxies. Results reveal an effective relationship exists between organisational productivity and ethical standards in Nigeria.

## METHODOLOGY

The cross-sectional descriptive research design was adopted for this study. Under this design, the survey method was employed in collecting data to answer the research questions and explain the relationship among variables. The Kerjcie and Morgan (1970) Sample size determination table was used to determine the sample size of 297. The primary source of data collection for this study was structured questionnaire using modified five points Likert scale of Strongly Agree (SA=5), Agree (A=4), Undecided (U=3), Disagree (D=2) and Strongly Disagree (SD=1).

### Model Specification

The model for this study was represented as follows:

In functional form, the variables are expressed as follows;  $Y = f(WE)$ .

In equation form, it is expressed as follows;  $Y = \alpha + \beta_1TPY + \beta_2INT + \varepsilon$

Where

$Y$  = Workplace Deviant Behavior

$TPY$  = Transparency

$INT$  = Integrity

$\alpha$  = Constant

$\beta_1 - \beta_3$  = Regression Coefficients

= Number of Employees

$e$  = Error term

For this paper, the regression equation shows the relationship between independent variables (transparency and integrity) that influence workplace deviant behaviour of Food and Beverages Companies in Kaduna.

## DATA ANALYSIS AND RESULT

### Descriptive Analysis

The descriptive statistics of the data collected for the study is presented and discussed in this section. The summary of the descriptive statistics of the data collected is presented in Table 1 as follow:

**Table 1: Descriptive Statistics of the Variables**

Variables	Min	Max	Mean	SD	Skewness	Kurtosis
WDB	1	5	3.01	1.297	-0.38	-1.113
Trans	1	5	2.96	1.276	0.044	-1.067
Intg	1	5	2.93	1.297	0.051	-1.094

Source: SPSS 20

Table 1 shows that the average value of WDB is 3.01 with standard deviation of 1.297, which signifies that the data deviate from both side of the mean value by 1.297 approximately. This implies that there is a bit of dispersion of the data from the mean, because of the value of standard deviation which is close to the mean. The kurtosis value of -1.113 also suggests that majority of the data are lower than mean, as such the data meet the Gaussians distribution assumption. Similarly, the coefficient of Skewness -0.38 implies that the data is negatively skewed, and thus, the data did not meet the symmetrical distribution assumption.

The results from table 1 also indicate the transparency (TRANS) mean value of 2.96 and standard deviation of 1.276, which implies that there is dispersion from the mean value by approximately 1.28 in the sample firms. The coefficient of Skewness 0.044 implies that the data is positively skewed, and thus, the data does not meet the symmetrical distribution assumption. On the other hand, the kurtosis value of -1.113 also shows that most of the values are lower than the mean, and thus the data meets the Gaussians distribution assumption.

Finally table1 indicates that on average, the Integrity (INTG) is 2.93 with standard deviation of 1.297, implying that the deviation from the mean is 1.30 in the sample HMO, with minimum and maximum values of 1 and 5 respectively which did not indicate the sign of outlier issues and will not cause any problem to the inferential statistics. The skewness value 0.051 indicates that the data is positively skewed, that is, the data did not meet the symmetrical distribution requirement. Similarly, the kurtosis of 1.094 implies that the Gaussians distribution is met.

## **Bivariate Analysis**

### **Correlation Results**

In this section, the result of the Pearson correlation Coefficients of the variables of the study is presented in Table 2 as follows:



**Table 2 Correlation Matrix of the Dependent and Independent Variables of the first model**

Variables	WDB	TRANS	INTG
WDB	1		
TRANS	0.231	1	
INTG	0.284	0.545	1

Source: SPSS 20

The correlation matrix is used to determine the degree of association between independent variables and the dependent variable. It is also used identify whether there is a relationship between independent variables themselves, to detect the possibility of multicollinearity amongst the explanatory variables. This is necessary so that a broader picture than we could have got when regressed separately against performance would be obtained.

Workplace deviant behaviour (WDB) has a weak positive relationship with transparency (TRANS) as denoted by the value 0.231.

Integrity (INTG) has a weak positive relationship with Workplace deviant behaviour (WDB) with the value of 0.284; Integrity has a strong positive relationship with transparency (TRANS) with value of 0.545.

### **Summary of Regression Results**

In this section, the regression results of the models of the study are presented and interpreted. The hypotheses formulated for the study are also tested from the results as presented in Table 3.

**Table 3 Summary of Regression Result**

Variable	Co-efficient	t-statistics	p-value
Co-efficient	0.971	5.100	0.000
TRANS	-0.003	-0.055	0.956
INTG	-0.125	-2.269	0.024
R <sup>2</sup>	0.350		
Adjusted R <sup>2</sup>	0.343		
F-stat	55.741		
F-sig	0.000		
Durbin Watson	1.854		

Source: SPSS 20

## DISCUSSION OF FINDINGS

### **Impact of Transparency on Workplace deviant Behaviour**

The Impact of transparency on workplace deviant behaviour of food and beverages organization is found to be insignificant and statistically has a negative effect on workplace deviant behavior. This can be confirmed by a coefficient value of  $-0.003$ ; t-value and p-value of  $-0.055$  and  $0.956$  respectively. This implies that for every 1% increase in transparency the workplace deviant behaviour of food and beverages decrease by  $-0.003$ . In line with the finding it provides evidence to fail to reject the null hypothesis; which states that transparency has no significant impact of on workplace deviant behaviour of Food and Beverages Company. The findings are in line with (Yeboah 2013); and the opposite with (Asigele 2012).

### **Impact of Integrity on Workplace Deviant Behaviour**

The impact of INTG on WDB of food and Beverages Company is found to be significant and statistically has a positive effect on workplace deviant behaviour. This can be confirmed by coefficient value of  $-0.125$  with a t-value and a p-value of  $-2.269$  and  $0.024$  respectively. This implies that for every 1% increase in INTG the WDB of HMO will decrease by  $-0.125$ . In line with this it provides evidence to fail to reject the null hypothesis which states that INTG has no significant impact on WDB.

Cumulative result shows that the coefficient of determination ( $R^2$ ) has a value of  $0.350$ . This indicates that the independent variables (TRANS and INTG) were able to explain the variation in the WDB of Food and Beverages Companies in Kaduna State to the extent of 35% only, while the remaining 65% are explained by other factors not captured in the model. The adjusted  $R^2$  (which adjusted for the number of variables in the model that have strong correlation and number of observations) has a value  $0.343$  (34.3%). This implies that TRANS and INTG cumulatively play a significant role in explaining WDB of the Food and Beverages Companies in Kaduna State, following the results gotten from those eligible to fill the questionnaire on the demographic characteristics of the respondents. The regression result reveals fitness of the model for having F-statistics of  $55.741$  and a p-value of  $0.0000$ . The implication of this result is that the overall impact of the explanatory variables on the dependent variable is significant at 1% level, with 99% level of confidence. The Durbin Watson shows the absence of auto and serial correlation of the error term of the model; which is shown by the coefficient value of  $1.854$ . Lastly, the study concludes that the work

ethics plays a significant role in explaining the Workplace deviance behaviour of Food and Beverages Companies in Kaduna State following the result gathered from respondents upon questionnaire returns.

### CONCLUSION AND RECOMMENDATIONS

The study investigated the impact of work ethics (proxied by Transparency and Integrity) on workplace deviant behaviour of Food and Beverages Companies in Kaduna State, Nigeria. The study concludes that Transparency has an insignificant negative impact on performance of Food and Beverages Companies in Nigeria; while the impact of Integrity is found to be negative but statistically significant.

In line with the results of this study, the study recommends that:

- i. Management of organisations should pay greater attention to Integrity in maintaining a work place culture of trust, respect, professionalism to achieve optimal level of performance of their core business operations and hence, value for the Food and Beverages Companies in Kaduna State.
- ii. The Food and Beverages Companies are also recommended to develop strategies that will decrease workplace deviant behaviour without affecting their overall function of decision making influence in the company.

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