



---

## EFFECT OF BUSINESS ETHICS ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF DUFIL PRIMA FOOD LIMITED, KADUNA

Nyam, Nuhu<sup>1</sup>, Emmanuel, E. Danboyi<sup>2</sup>, Turman, Meshach<sup>1</sup><sup>3</sup>, Adam, Usman Ahmed<sup>4</sup>, & Mohammed Yusuf<sup>5</sup>.

1-3 Department of Economics, Faculty of Social Sciences, Kaduna State University, Kaduna

4. Department of Library and Information Science, Faculty of Social Sciences, Kaduna State University, Kaduna

5. Department of Economics, Federal University of Kashere, Gombe State

### Abstract

This study investigates the impact of business ethics on organizational performance, focusing on Dufil Prima Food Limited, Kaduna, Nigeria. Despite growing concerns about questionable business practices in the region, there is a lack of empirical research on the specific context of Dufil Prima. This study fills this gap by examining the relationship between business ethics and organizational performance. In conducting the study, a sample size of 80 was obtained using Taro Yamane's formula and the participants were selected through a stratified random sampling technique to ensure representativeness in the data collection process. A close-ended questionnaire was administered to obtain data, resulting in a total of 57 responses received. The collected data was then analyzed using the ordinal regression model to examine relationships between variables. The results reveal that transparency, honesty, and integrity have significant positive effects on organization performance. Specifically, a one-unit increase in transparency is associated with a 58.4% increase in organization performance, while a one-unit increase in honesty and integrity leads to a 23.4% and 39% increase in organization performance, respectively. On the other hand, fairness showed insignificant positive effects on organization performance. Additionally, organization culture has a significant positive effect on organization performance, with a 1.3% increase in performance for every one-unit increase in organization culture. Based on these findings, the study recommends that management of Dufil Prima Food Limited should reevaluate their fairness approaches to ensure fairness in all aspects of the workplace.

**Keywords:** Fairness, Honesty, Integrity, Transparency, Performance

### Introduction

Business ethics is considered as a crucial factor that plays a significant role in shaping the success and sustainability of an organization. This is because Business ethic is essential for maintaining the trust and credibility of a company in the eyes of its stakeholders, including customers, employees, investors, and regulators. Ethical conduct helps build a positive

reputation for a company, which can lead to increased customer loyalty, improved employee morale, and enhanced brand value.

Research has shown that companies that prioritize ethical conduct tend to outperform their peers financially in the long run (Ibobo, 2021). According to a study by the Institute of Business Ethics (2018) on survey of ethics at work, companies with a strong ethical culture experienced higher profitability and shareholder value compared to those with lower ethical standards. This can be attributed to the fact that ethical companies are less likely to engage in unethical practices such as fraud, corruption, or environmental violations, which can lead to legal and reputational risks, as well as costly fines and penalties.

Integrity, honesty, fairness, and transparency are key components of business ethics that can have a significant impact on organizational performance. Research has shown that organizations that prioritize integrity are more likely to earn the trust of their customers, employees, and investors (Nangoli et al., 2020). This trust can lead to increased loyalty, repeat business, and positive word-of-mouth referrals, ultimately contributing to improved organizational performance. Likewise, honesty is another critical element of business ethics that influence organization performance. According to study by Nsor-Ambala, (2018), when organizations are honest with their stakeholders, they are more likely to establish strong relationships built on trust and mutual respect. This can lead to improved communication, collaboration, and problem-solving, ultimately enhancing organizational performance. In addition, transparency is also a key component of business ethics that affect performance. Bāndoi et al. (2021) asserted that organizations that embrace transparency are more likely to gain the trust of their stakeholders, enhance accountability, and minimize the risk of unethical behavior. This can lead to improved decision-making, risk management, and overall performance.

In the case of Nigeria, empirical evidence has shown there is widespread lack of commitment to ethical behaviour concern for excellence and self-reliance in in most organizations. According to Hassan et al. (2023), one of Nigeria's and Africa's most pressing social and economic issues is a breakdown in morality, work ethics, discipline, and social responsibility among its citizens and organizations. The food processing industry in Nigeria, particularly in the northern region where Dufil Prima Food Limited, Kaduna, operates, is confronted with a plethora of challenges that have significant implications for organizational performance, particularly in terms of product quality. One of the most pressing problems facing the industry

is the dearth of adherence to business ethics principles, which has far-reaching consequences for the quality of products manufactured and supplied to consumers. Some of the ethical problems confronting the industry include the use of substandard raw materials, non-compliance with food safety regulations, and misleading labeling and advertising practices. This lack of commitment to ethical standards lead to the production and distribution of substandard products, which have devastating effects on consumers' health, safety, and wellbeing, ultimately leading to a decline in organizational performance. This problem is further compounded by the fact that the food processing industry in Nigeria is highly competitive, and companies compromise on quality in order to gain a competitive advantage. Moreover, the lack of effective regulatory frameworks and enforcement mechanisms in Nigeria made it difficult to hold companies accountable for their actions, thereby perpetuating the problem of poor product quality. It is on this basis that this study investigates the impact of business ethics on organization performance, focusing on Dufil Prima Food Limited, Kaduna.

## **Literature Review**

### **Conceptual Issues**

Ethics is a process of evaluating actions according to moral principal of values and those issues as concerning fairness, justice, rightness or wrongness; all of which can only be resolved based on ethical standards (Lluka, 2010). Moreover, ethics is a code of behaviour that is defined by the group to which an individual belongs and this conforms to generally accepted norms, which is subject to change over time to meet the evolving needs of the organization, society or a group of people who share similar laws, traditions and values that provide structure to enable them to work or live in an organized manner (Reynolds, 2019).

Building on this understanding of ethics, business ethics is a study of moral standards and how these apply to the systems and organizations through which modern societies produce and distribute goods and services and to the people who work within these organizations (Manuel Velasquez, 2002). Furthermore, business ethics functions as a value system and is concerned primarily with the relationship of business goals and techniques to specifically human ends (Onyeaghala, 2017). In addition, business ethics is the required standards, principles, actions, behaviour and sets of values and norms that governed the organisation operations (Ezeanyim and Ezeanolue, 2021).

In the context of business ethics, transparency plays a crucial role. Transparency is the transmission that is geared towards pre-established organizational realities (Blackburn, 2007).

Additionally, translucency has been viewed as information dispersion that causes no changes in what it seeks to make visible (Albu & Flyverbom, 2016). Transparency can also be conceived as the vacuity of establishment-specific information to those outside intimately traded enterprises (Bushman, Piotroski and Smith, 2004).

Closely related to transparency are the concepts of integrity and honesty. Integrity is the quality of being honest and having strong moral and ethical principles. Integrity has also been linked to positive personality constructs, similar as courage, care, authenticity and honesty (Harter, 2002; Park & Peterson, 2003; Peterson & Seligman, 2004). Honesty, on the other hand, is the foundation of trust between a company and its guests, workers, and mates. Without honesty, a business can't establish a positive character or maintain long-term connections with its stakeholders. Another important aspect of business ethics is fairness. The act of being honest without cheating in business by treating people equally refers to fairness. Fairness in business is given equal opportunity to everyone irrespective of his or her ethical, social or religious background.

In terms of organizational outcomes, performance is a critical consideration. Performance has been defined differently by researchers. Performance is similar to economy, efficiency and effectiveness of a regular activity (Javier, 2007). Organizational performance is the process of inputs transformation into outputs for a desire outcome in a cost-effective manner (Chen, 2002). For the purpose of this study, performance is viewed in terms of product quality. Product quality is the ability of a product to perform its intended function effectively and efficiently (Bevan, 1995).

More so, business ethics involves various stakeholders who have a vested interest in the organization's operations and performance. According to Murugi et al (2023), stakeholders include "any group or individual who can affect or is affected by the achievement of the organization's objectives". These stakeholders comprise shareholders, employees, customers, suppliers, community, and environment (Tang et al., 2023). Shareholders expect financial returns, while employees seek fair treatment and a safe working environment. Customers demand quality products and services, whereas suppliers require timely payments and fair business practices.

Adhering to business ethics offers numerous benefits. Particularly, improved customer loyalty results from ethical business practices, leading to increased customer retention and loyalty (Islam et al., 2021). Likewise, ethical decision-making promotes better decision-making,

reducing the likelihood of unethical choices (Warner et al., 2024). Furthermore, ethical businesses experience reduced risk, as they avoid legal and regulatory issues (Nardella et al., 2023). Increased employee morale and productivity also arise from working in an ethical environment (Sarwar et al., 2022).

However, despite the benefits, businesses face several challenges in implementing ethics. Conflicting priorities between stakeholders can create ethical dilemmas (Hota et al., 2023). Cultural differences may lead to varying ethical standards, complicating global business operations (Donaldson, 2021). Pressure to meet targets can prompt unethical decisions, compromising long-term sustainability (Bran et al., 2020). Lack of resources, limited awareness, and inadequate training hinder ethical implementation (Yan et al., 2024).

### **Theoretical Review**

In the field of business ethics, there are numerous theories that seek to explain the impact of ethical practices on organizational performance. However, this study focused on only three theories that are relevant to the study's problem. One of the theories this study considered is the stakeholder theory, propounded by Edward Freeman in 1984. The theory posits that organizations should consider the interests of all stakeholders, not just shareholders, when making decisions. Stakeholders include employees, customers, suppliers, communities, and the environment. This theory argues that by prioritizing the needs of all stakeholders, organizations can create long-term value and achieve sustainable success.

The second theory that this study considered is the Corporate Social Responsibility (CSR) Theory, first introduced by Howard Bowen in 1953 which suggests that organizations have a responsibility to society beyond just making a profit. This theory emphasizes the importance of ethical behavior, environmental sustainability, and social responsibility in business practices. Companies that engage in CSR activities, such as charitable giving, environmental conservation, and employee volunteer programs, are often perceived as more trustworthy and socially responsible.

In addition to Stakeholder theory and corporate social responsibility, deontology is another ethical theory that can help organizations understand the impact of business ethics on performance. Deontology, first proposed by Immanuel Kant, emphasizes the importance of following moral principles and ethical duties in decision-making. According to this theory, ethical behavior is not determined by the consequences of actions but by the adherence to moral duties and obligations.

## **Theoretical Framework**

Having reviewed the theories, this study considered deontology theory as its theoretical framework. Deontology is a duty-based ethical theory that emphasizes the importance of following moral rules and principles. According to deontology, certain actions are inherently right or wrong, regardless of their consequences. In the context of business ethics, a deontological approach would focus on adhering to ethical principles and values, such as honesty, integrity, and respect for others. This implied that a company that prioritizes honesty and transparency in its business practices is likely to attract and retain loyal customers and improve performance.

## **Empirical Review**

Several studies have explored the relationship between business ethics and organizational performance. For instance, Lawal and Ganiyu (2025) adopted a mixed-method approach to assess ethical practices in Nigeria's energy sector. They observed that ethical commitment especially when anchored in transparent stakeholder engagement significantly improved organizational sustainability and brand trust. However, the study also cautioned against a "tick-box" approach to ethics, arguing that policies without cultural buy-in rarely deliver measurable results.

A broader European perspective was provided by Martínez et al. (2024), who analyzed SMEs across several EU countries. Their research concluded that ethical governance particularly board-level ethics training and conflict-of-interest policies significantly reduced employee turnover and enhanced firm reputation. Although financial metrics showed only modest improvement, the long-term gains in trust and credibility were profound.

Badey and Doonu (2023), carried out a study, anchored on the organizational embeddedness theory to identify the roles of corporate ethics in organizational performance. The study, which was entirely a review of literature, found that corporate ethics are products of social rules and norms guiding processes, leading to the production of desirable products. The study also found that corporate ethics is the teleprompter for training and efficient performance of workers. The study concludes that corporate ethics drive organizational performance and recommends that organizations that want to achieve improved performance should be guided by rules and norms that align with socially accepted standards of business conduct.

In Ghana, Mensah et al. (2022) examined how different ethical orientations utilitarianism, deontology, and ethical egoism shape corporate performance. Their results were telling firms guided by deontological and utilitarian principles reported better customer relationships, stronger employee loyalty, and improved operational outcomes. On the contrary, firms adopting egoistic approaches faced diminishing employee morale and reputational setbacks.

Bāndoi et al. (2021) assessed the impact of transparency on economic performance. Two indexes for managerial reporting (disclosure index—DI, and corporate transparency index—CTI) were used to determine the impact of sustainable reporting practices' inclusion into corporate management reporting on economic performance. The analysis was conducted using regression model and findings showed that transparency significantly improve economic performance.

Ibobo (2021), examined the relationship between business ethics and sustainability of micro, small and medium scale enterprises in delta state, Nigeria. The study employed cross sectional research design in examining seventy-three (73) firms. The population of the study is made up of owner- manager of SMES (hotels and guesthouse) in Asaba metropolis. Census was adopted in which all the seventy copies of the questionnaire distributed to the respondents. The data were analyzed with the aid of spearman's rank correlation coefficient to examine the relationship existing between the study variables. Findings revealed the existence of significant relationship between the dimensions of business (transparency and integrity) and the measures of organizational sustainability given as economic, social and environmental sustainability

Hadiza et al (2021), analysed the effect of business ethics on workplace deviant behavior in the food and beverages company in Kaduna metropolis using data from primary source. The study adopted the survey research design. The sample size of the study was 297 computed using Krejcie and morgan (1970), sample size formula. The method for data analysis was multiple regression. The findings of the study show that the impact of discipline on workplace deviant behavior of food and beverages companies is negative and statistically significant effect on WDB as shown by a coefficient value of -0.55 which is statistically significant at 1%.

Ezeanyim & Ezeanolue (2021), analyzed Business ethics and organizational performance in manufacturing firms in South-East, Nigeria. The population of the study 4871 comprised of all employees of the selected manufacturing firms South-East. Sample size of nine hundred and twenty-seven (927) respondents was selected for the study using Borg and Gall formula. Questionnaire was employed as the main instrument of data collection. The data generated

were analyzed using frequency count and percentages in the analysis of research questions while research hypotheses were tested using panel regression analysis. It was found that ethical climate had significant positive effect on organization' performance in South-East Nigeria. Unethical standard practices had no significant positive effect organizational performance. Ethical culture had a significant positive effect on organization' performance. Ethical behavior had a significant positive effect on organization' performance in southeast Nigeria.

Abdulmalik, & Hashim, (2020) assessed the impact of Business Ethics on Employee Performance of Small and Medium Enterprises in Kaduna North Local Government Area, Kaduna State, Nigeria. A sample size of 304 registered SMEs was used. The Krejcie and Morgan (1970) sample size determination table was used to determine the sample of this study. Data for the study were collected through primary source using questionnaires and analysed using multiple regression, the study found that discipline, trust and justice have a significant positive impact on employee performance of SMEs in Kaduna North Local Government Area, Kaduna State, Nigeria.

Furthermore, having reviewed the above empirical studies, it is obvious that in the existing literature there is no study that focused specifically on Dufil Prima Food Limited, Kaduna. This creates a significant scope gap in understanding how business ethics affect, organizational performance within this particular organization. Additionally, previous studies in Kaduna state employed only descriptive statistics for the analysis (Hadiza et al, 2021). This study considered both descriptive and inferential statistics for the analysis so as to obtain a robust result.

## **Methodology**

The study employed a quantitative causal research design, which allows for the establishment of a cause-and-effect relationship between business ethics and organizational performance. The population of the study consisted of 100 permanent employees of Dufil Prima Food Limited Kaduna, Nigeria, a company that specializes in the production of staple foods. To ensure a representative sample, the study utilized stratified random sampling, where the population was divided into strata based on various departments within the organization, such as human resource department, admin, finance, warehouse, engineering, production, and quality control. This sampling technique was an appropriate choice for this topic because it allowed researchers to gather data from various departments, providing insights into how business ethics are perceived and practiced across the entire organization. Additionally, stratified random sampling helped to ensure that the sample is representative of the entire population of the study.

The sample size for this study was determined using Taro Yamane's formula, which yielded a sample size of 80 as shown in equation 3.1. The Yamane's formula was chosen as it is suitable for smaller sample size, making it practical for resource-limited studies, which might have suited this study's needs in determining a sample size of 80.

$$n = \frac{N}{1 + N(e)^2} \dots \dots \dots 3.1$$

Where: n=sample size, N=Population, e<sup>2</sup>= Degree of Error (0.05).  $n = \frac{100}{1+100(0.05)^2}$  n = 80

The data was obtained through primary sources from employees of Dufil Prima Food Limited Kaduna, and a closed-ended questionnaire structure was utilized to gather data from participants. To ensure the validity and reliability of the instrument, copies of the questionnaire were distributed to scholars and subject matter experts outside the study population to validate the instrument and determine its face and content validity.

A pilot study was conducted to assess the reliability of the research instruments, where questionnaires were administered to 20 selected respondents. The collected data was subjected to Cronbach Alpha coefficient analysis, which revealed a good level of internal consistency across the 18 items in the survey instrument (Table 3.1). The Cronbach's alpha values ranged from 0.715 to 0.894, indicating a good level of internal consistency.

The ordinal regression model was used for data analysis due to its ability to model the relationship between an ordinal dependent variable, which is the case in this study since performance is being measured using a 5-point Likert scale. This model was deemed suitable for this study because it allows for the examination of the relationship between business ethics and organizational performance while accounting for the ordinal nature of the dependent variable.

**Table 3.1:** Reliability Statistics.

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Numb. of Items
Transparency	0.871	0.867	3
Honesty	0.783	0.773	3
Integrity	0.821	0.817	3
Fairness	0.894	0.886	3
Organisation culture	0.715	0.710	3
Performance	0.781	0.769	3
Total	0.852	0.819	18

*Source: Authors computation (2024)*

### Factor Loadings and Communalities

The factor analysis results confirm the construct validity of the instrument, with a Kaiser-Meyer-Olkin measure of 0.843 and a significant Bartlett's test ( $p < 0.001$ ) indicating adequate sampling and factorability. Factor loadings (0.68-0.95) and communalities (0.46-0.90) demonstrate strong relationships between items and constructs, supporting the instrument's validity. Combined with the reliability statistics (Cronbach's alpha: 0.715-0.894), these results provide robust evidence for the instrument's psychometric properties, confirming its suitability for assessing the effect of business ethics on organizational performance at Dufil Prima Food Limited, Kaduna.

### 3.2 Factor Loadings and Communalities

Construct	Factor Loadings	Communalities
Transparency	0.83-0.92	0.69-0.85
Honesty	0.75-0.86	0.56-0.74
Integrity	0.81-0.91	0.66-0.83
Fairness	0.89-0.95	0.79-0.90
Organizational Culture	0.68-0.79	0.46-0.62
Performance	0.73-0.84	0.53-0.71

*Source: Authors computation (2024)*

### Model Specification:

The model for this study was adapted from the study of Ezeanyim, & Ezeanolue, (2021) on business ethics and organizational performance in manufacturing firms in South-East, Nigeria. The model shows that organization performance is a function of ethical climate, unethical standard and practices, ethical behavior and culture as shown in equation 3.1. The study modifies the model to focus on transparency, honesty, integrity, fairness, and organizational culture as key predictors of performance. This modification improves the model's fit by contextualizing it to the specific organizational setting and industry, allowing for a more nuanced understanding of the relationship between business ethics and performance in the manufacturing sector.

$$ORGP = f(EC, USP, EB, C) \dots \dots \dots 3.1$$

Where: ORGP=Organization Performance, EC=Ethical Climate, USP=Unethical Standard and Practices, EB= Ethical Behavior, C=Culture.

However, the model was modified to better fit this study objective. Specifically, business ethics was assessed through transparency, honesty, integrity, fairness and organization culture while performance was assessed using product quality as shown in equation 3.2.

$$ORGP = f(TRN, HON, INT, FAN, ORC) \dots \dots \dots 3.2$$

Where: ORGP=Organization Performance, TRN=Transparency, HON=Honesty, INT=Integrity, FAN=Fairness, ORGC=Organization Culture

The model can be expressed econometrically as follows:

$$ORGP_i = \phi_0 + \phi_1 TRN_i + \phi_2 HON_i + \phi_3 INT_i + \phi_4 FAN_i + \phi_4 ORC_i \varepsilon_i \dots \dots \dots 3.3$$

Where:  $\phi_0 - \phi_4$  are the parameters to be estimated,  $\varepsilon$  = is the Error term, others as stated in equation 2

**Table 3.3:** Description and Measurement of Variables

Variable	Proxy	Measurement	Apriori Expectation
Business Ethics	Transparency (TRN)	Yes, No, Not sure	Positive
	Honesty (HON)	Yes, No, Not sure	Positive
	Integrity (INT)	Yes, No, Not sure	Positive
	Fairness (FAN)	Yes, No, Not sure	Positive
	Organization Culture (ORC)	Yes, No, Not sure	Positive
Organization Performance	Product Quality	5 Likert Scale: Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree	

Source: Authors computation (2024)

## Results and Discussion

### Perception of Respondents in respect to Transparency

The results displayed in Table 4.1 provide insights into the perception of respondents regarding transparency within their organizations.

**Table 4.1:** Perception of Respondents in respect to Transparency

S/N	Item	Responses			
		Yes	Not Sure	No	Total
1.	Is your organization transparent in its communication with customers regarding product information?	42(73.7%)	13(22.8%)	2(3.5%)	57(100%)
2.	Are customers provided with clear and accurate details about the manufacturing process of products?	48(84.2)	7(12.3%)	2(3.5%)	57(100%)
3.	Does your organization provide avenues for customers to provide feedback on product quality?.	42(73.7%)	14(24.6%)	1(1.8%)	57(100%)

Source: Author's computation (2024), using SPSS version 20

From the results, it is evident that a significant majority of respondents believe that their organizations are transparent in their communication with customers regarding product information. In the first scenario, 73.7% of respondents answered "Yes", indicating that they believe their organization is transparent, while 22.8% were "Not Sure", and only 3.5% answered "No". This suggests that a large proportion of respondents feel that their organizations are effectively communicating with customers regarding product information.

Similarly, when asked about whether customers are provided with clear and accurate details about the manufacturing process of products, 84.2% of respondents answered "Yes", indicating a high level of perceived transparency in this aspect. Only 12.3% were "Not Sure", and 3.5% said "No". This data shows that the majority of respondents feel confident in the level of transparency their organization provides regarding the manufacturing process of products. In the third scenario, regarding whether the organization provides avenues for customers to provide feedback on product quality, 73.7% of respondents answered "Yes", while 24.6% were "Not Sure", and only 1.8% said "No". This highlights that a high proportion of respondents believe that their organization allows customers to give feedback on product quality, indicating a commitment to transparency and customer engagement in quality control processes.

### Perception of Respondents in respect to Honesty

The Table 4.2 presents the perception of respondents in relation to honesty within their organization.

**Table 4.2:** Perception of Respondents in respect to Honesty

S/N	Item	Responses			
		Yes	Not Sure	No	Total
1.	Is your organization very honest in its advertising and marketing practices of its product?	42(73.7%)	14(24.6%)	1(1.8%)	57(100%)
2.	Do employees feel encouraged to be honest and transparent in their interactions with customers?	39(68.4%)	17(29.8%)	1(1.8%)	57(100%)
3.	Has your organization ever been accused of dishonesty or misleading practices?	1(1.8%)	12(21.1%)	44(77.2%)	57(100%)

Source: Author's computation (2024), using SPSS version 20

In the first question regarding the honesty of advertising and marketing practices within the organization, 73.7% of respondents answered Yes, indicating that they believe their organization is very honest in its advertising and marketing practices. Only 1.8% of respondents answered No, suggesting that the majority of respondents have faith in the honesty of their organization's marketing practices. The second question addresses whether employees feel encouraged to be honest and transparent in their interactions with customers. Again, the majority of respondents (68.4%) answered Yes, indicating that they believe their organization

promotes honesty and transparency in customer interactions. Only 1.8% of respondents answered No, further supporting the notion that employees feel supported in being honest with customers. The final question poses if the organization has ever been accused of dishonesty or misleading practices. Interestingly, only 1.8% of respondents answered Yes, suggesting that very few organizations have faced such accusations. On the other hand, a significant portion of respondents (77.2%) answered No, indicating that the majority of organizations have not been accused of dishonesty.

### Perception of Respondents in respect to Integrity

The results Table 4.3 presents the responses of respondents regarding their perception of integrity within their organization.

**Table 4.3:** Perception of Respondents in respect to Integrity

S/N	Item	Responses			
		Yes	Not Sure	No	Total
1.	Does your organization adhere to ethical standards in all business dealings?	39(68.4%)	15(26.3%)	3(5.3%)	57(100%)
2.	Have you witnessed or experienced any instances where integrity was compromised within your work place?	2(3.5%)	11(19.3%)	44(77.2)	57(100%)
3.	Are employees encouraged to speak up about unethical behavior within the organization?	39(68.4%)	15(26.3%)	3(5.3%)	57(100%)

Source: Author's computation (2024), using SPSS version 20

Firstly, when asked whether their organization adheres to ethical standards in all business dealings, the majority of respondents, 68.4%, answered yes. This suggests that a significant portion of the respondents believe that their organization upholds ethical standards in their daily operations. Only a small percentage of respondents, 5.3%, answered no, indicating that a minority of individuals feel that their organization does not adhere to ethical standards. Secondly, when asked if they have witnessed or experienced any instances where integrity was compromised within their workplace, the responses were quite different. A mere 3.5% of respondents answered yes, indicating that only a small fraction of individuals have witnessed or experienced compromised integrity within their organization. On the other hand, a striking 77.2% of respondents answered no, implying that a large majority of individuals have not encountered compromised integrity within their workplace.

Lastly, respondents were asked whether employees are encouraged to speak up about unethical behavior within the organization. The majority, 68.4%, answered yes, suggesting that a significant portion of individuals feel that employees are indeed encouraged to report unethical

behavior. A small percentage, 5.3%, answered no, indicating that a minority of individuals believe that employees are not encouraged to speak up.

### Perception of Respondents in respect to Fairness

The Table 4.4 depicts the perception of respondents in respect to fairness within their organizations.

**Table 4.4:** Perception of Respondents in respect to Fairness

S/N	Item	Responses			
		Yes	Not Sure	No	Total
1.	Does your organization treat all employees equally and fairly?	10(17.5%)	3(5.3%)	44(77.2%)	57(100%)
2.	Has your organization faced any accusations of unfair treatment towards employees?	6(10.5%)	33(57.9%)	18(31.6%)	57(100%)

Source: Author's computation (2024), using SPSS version 20

In the first question, respondents were asked if their organization treats all employees equally and fairly. 17.5% of respondents answered yes, 5.3% were not sure, and 77.2% said no. This indicates that the majority of respondents do not feel that their organization treats all employees equally and fairly. This is a concerning finding as fairness is a fundamental aspect of organizational culture and can impact employee morale, productivity, and retention. In the second question, respondents were asked if their organization had faced any accusations of unfair treatment towards employees. 10.5% of respondents answered yes, 57.9% were not sure, and 31.6% said no. This indicates that a significant proportion of respondents are unaware of any accusations of unfair treatment within their organization. However, it is concerning that 10.5% of respondents indicated that their organization had faced accusations of unfair treatment. This suggests that there may be underlying issues of unfairness within these organizations that have been brought to light.

### Perception of Respondents in respect to Organization Culture

The Table 5 presents the perception of respondents regarding organizational culture as follows:

**Table 4.5:** Perception of Respondents in respect to Organization Culture

S/N	Item	Responses			
		Yes	Not Sure	No	Total
1.	Do you feel that your organization culture and values align with your personal values?	40(70.2%)	15(26.3%)	2(3.5%)	57(100%)
2.	Do employees feel comfortable raising ethical concerns or issues within the organization?	31(54.4%)	23(40.4%)	3(5.3%)	57(100%)
3.	Does your organization reward and recognize ethical behavior among employees?	34(59.6%)	18(31.6%)	5(8.8%)	57(100%)

Source: Author's computation (2024), using SPSS version 20

In the first question, regarding the alignment of organizational culture and values with personal values, the majority of respondents (70.2%) answered 'Yes', indicating that they feel that their organization's culture resonates with their personal values. This is a positive indication as alignment between personal and organizational values can lead to higher levels of job satisfaction, engagement, and commitment among employees. In the second question, querying whether employees feel comfortable raising ethical concerns or issues within the organization, the results are more mixed. While a majority (54.4%) responded 'Yes', a significant portion (40.4%) were 'Not Sure'. This suggests that there may be some concerns or barriers preventing employees from speaking up about ethical issues. In the third question, on whether the organization rewards and recognizes ethical behavior among employees, the majority of respondents (59.6%) answered 'Yes'. This indicates that the organization has mechanisms in place to acknowledge and incentivize ethical behavior, which can help reinforce a culture of integrity and ethics within the workplace.

#### Perception of Respondents in respect to Performance (Product Quality)

The Table 4.6 displayed the perception of respondents in respect to the performance in terms of product quality of the organization. The responses are categorized into five different categories: Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), and Strongly Disagree (SD).

**Table 4.6:** Perception of Respondents in respect to Performance (Product Quality)

S/N	Item	Response					Total
		SA	A	N	D	SD	
1.	Do you believe that the ethical practices of your organization directly impact the quality of its products?	22(38.6%)	18(31.6%)	14(24.6%)	2(3.5%)	1(1.8%)	57(100%)
2.	Do you believe that the overall quality of the products produced by your organization are of good standard?	25(43.9%)	20(35.1%)	11(19.3%)	1(1.8)	0%	57(100%)
3.	Are there any instances where ethical considerations were compromised for the sake of product quality in your organisation?	1(1.8%)	1(1.8)	10(17.5%)	19(33.3%)	26(45.6%)	57(100%)

Source: Author's computation (2024), using SPSS version 20.

For the first question, which asks whether the ethical practices of the organization directly impact the quality of its products, it can be seen that a majority of respondents (38.6%) strongly agree that there is a direct correlation between ethical practices and product quality.

Additionally, 31.6% agree with this statement, while 24.6% are neutral. Only a small percentage, 3.5%, disagree with this statement, and 1.8% strongly disagree. Moving on to the second question, which focuses on the overall quality of the products produced by the organization, the majority of respondents (43.9%) believe that the products are of good standard. Similarly, 35.1% agree with this statement, while 19.3% are neutral. Only 1.8% of respondents disagree with this statement, while none strongly disagree.

Lastly, the third question delves into whether there have been instances where ethical considerations were compromised for the sake of product quality in the organization. Surprisingly, only a very small percentage (1.8%) of respondents believe that ethical considerations have been compromised. Additionally, another 1.8% agree with this statement, while 17.5% are neutral. The highest percentage of respondents (45.6%) strongly disagree with this statement, indicating that they do not believe that ethical considerations have been compromised for product quality.

### Correlation Analysis

The result of the correlation matrix is presented the results in Table 4.7

**Table 4.7:** Correlation Matrix

	ORGP	HON	INT	FAN	ORC
ORGP	1				
HON	.415	1			
INT	.545	.121	1		
FAN	.403	.173	.063	1	
ORC	.314	.417	.291*	.178	1

*Source: Authors, computation, (2024) using SPSS version 20. Where: ORGP=Organization Performance, TRN=Transparency, HON=Honesty, INT=Integrity, FAN=Fairness, ORGC=Organization Culture*

Starting with the correlation between Organization Performance (ORGP) and the other variables, we can see that there is a positive correlation with Honesty (HON) at 0.415 and Integrity (INT) at 0.545. This implies that as levels of honesty and integrity within the organization increase, organization performance also tends to improve. Moving on to the correlation between Organization Performance (ORGP) and Fairness (FAN), we see a positive correlation of 0.403. This suggests that organizations that are perceived as fair by their employees tend to have better performance. However, the correlation is not statistically significant at the 0.05 level, with a p-value of 0.130. When looking at the correlation between Organization Performance (ORGP) and Organization Culture (ORC), we see a positive correlation of 0.314. This implies that a positive organizational culture is associated with better

organizational performance. Moving on to the correlation between Honesty (HON) and Integrity (INT), we see a positive correlation of 0.121.

### Ordinal Regression Model

The results of the ordinal regression is presented in Table 4.8

**Table 4.8** Estimated Ordinal Regression Model

Dependent Variable=ORGP					
Variables	Estimate	Std. Error	Wald	Sig.	
TRN	.584	.264	4.889	.027	
HON	.234	.234	5.996	.018	
INT	.390	.293	4.771	.043	
FAN	.344	.474	.526	.468	
ORC	.013	.184	4.005	.045	

Source: Authors, computation, (2024) using SPSS version 20. Where: ORGP=Organization Performance, TRN=Transparency, HON=Honesty, INT=Integrity, FAN=Fairness, ORGC=Organization Culture

From the table, we can see that transparency and honesty and integrity have significant positive effects on organization performance at 5% level. To be precise, the results showed that a one-unit increase in transparency is associated with a 58.4% increase in organization performance which is in line with the findings of Băndoi et al. (2021), while a one-unit increase in honesty is associated with a 23.4% increase in organization performance. In the same manner, one-unit increase in integrity is associated with a 39% increase in organization performance which is consistent with findings of Nangoli et al. (2020). The high integrity scores seem inconsistent with prior reports of unethical practices at Dufil, potentially due to social desirability bias. To address this, future studies could employ more objective measures. Practically, the findings suggest that Dufil can boost performance by implementing open-door policies to foster transparency, promoting honesty through training programs, upholding integrity through clear codes of conduct, and enhancing organizational culture through positive work environments. Effective management of fairness initiatives is also crucial. By implementing these measures, Dufil can leverage the positive effects of business ethics on organizational performance

On the contrary fairness showed insignificant positive effects on organization performance, as indicated by it high p-values. One possible explanation for this insignificant impact could be the lack of proper implementation and management of fairness initiatives. This is because, while organization may have policies in place to ensure fairness, if these policies are not effectively communicated, enforce or monitor, employees may not perceive them as being impactful. Lastly, findings also showed that organization culture (ORC) has a significant

positive effect on organization performance. Specifically, a one-unit increase in Organization Culture is associated with a 1.3% increase in organization performance which is in line with results obtained by Ezeanyim & Ezeanolue (2021).

### Diagnostic Test

The results of the diagnostic test for the estimated ordinal regression model are presented in Table 4.9 and 4.10 as follows:

**Table 4.9:** Pseudo R-Squared

Cox and Snell	.619
Nagelkerke	.538
McFadden	.698

Source: Authors, computation, (2024) using SPSS version 20

**Table 4.10:** Goodness-of-Fit

	Chi-Square	Df	Sig.
Pearson	307.711	187	.010
Deviance	116.200	187	.061

Source: Authors, computation, (2024) using SPSS version 20

From the results in Table 4.9, Cox and Snell pseudo R-squared value for the ordinal regression model is 0.619. This value indicates that the model accounts for approximately 61.9% of the variation in the dependent variable. The Nagelkerke pseudo R-squared value for Model stood at 0.538 indicates that the model is better at predicting the dependent variable than a null model. The McFadden pseudo R-squared value is 0.698, indicating a better fit of the model to the data.. This value is a measure of the proportion of variance explained by the independent variables in the model. From the results in Table 4.10, Pearson's chi-square test results in a chi-square value of 307.711 with 187 degrees of freedom, resulting in a p-value of .011. This suggests that the model fit the data well at a significance level of .05. Likewise, the deviance statistic yields a deviance value of 116.200 with 157 degrees of freedom, resulting in a p-value of 0.0618. This indicates that the model fits the data well according to the deviance statistic, as the p-value is much higher than the significance level of .05.

### Conclusion and Recommendations

In conclusion, this study's findings highlight the critical role of business ethics in driving organizational performance. The significant positive effects of transparency, honesty, and integrity on performance highlight the need for Dufil Prima Food Limited to prioritize these values. Conversely, the insignificant effect of fairness suggests a need for improvement in this area. The positive impact of organizational culture on performance further emphasizes the

importance of fostering a strong, ethical work environment. Ultimately, by embracing ethical practices and a positive culture, Dufil Prima Food Limited can enhance its performance, reputation, and long-term sustainability. Based on the results, the study made the following recommendations:

- i. Since transparency has a significant positive impact on organizational performance, it is important for management of Dufil Prima Food Limited to continue to prioritize transparency in their communication with employees and stakeholders through regular updates, open dialogue, and sharing relevant information openly.
- ii. Since honesty also plays a significant role in organizational performance, it is essential for the management of Dufil Prima Food Limited to continue to establish a culture of honesty and integrity by upholding ethical standards, encouraging open communication, and rewarding honesty within the workplace.
- iii. Since integrity was found to have a significant positive impact on organizational performance, is important for management of Dufil Prima Food Limited to continue to prioritize integrity by setting clear ethical guidelines, promoting ethical behavior, and holding individuals accountable for their actions.
- iv. Since fairness was also found to have an insignificant positive impact on organizational performance, it is imperative for management of Dufil Prima Food Limited to reevaluate their fairness approaches to ensure fairness in all aspects of the workplace, including decision-making, promotions, and rewards. This can be achieved through transparent processes, equal opportunities, and addressing any instances of unfair treatment.

### **Limitations and Future Directions**

This study's cross-sectional design limits the ability to infer causality. Future research should consider longitudinal designs to examine the impact of business ethics on organizational performance over time. Additionally, exploring specific fairness gaps and developing targeted interventions could provide further insights for Dufil Prima Food Limited.

### **References**

- Abdulmalik, M., & Hashim, Y. A. (2020). Impact of Business Ethics on Employee Performance of Small and Medium Enterprises in Kaduna North Local Government Area, Kaduna State, Nigeria. *LAPAI international journal of management and social sciences*, 12(1), 80-91.
- Abubakar, H. S., Abdul-Qadir, A. B., & Yauri, H. Y. (2021). Effect of Business Ethics on Workplace Deviant Behavior in the Food and Beverages Company in Kaduna Metropolis. *Gusau International Journal of Management and Social Sciences*, 4(1), 16-16.

- Albu, Q.B. and Flyverbom, M. (2016). Organizational Transparency: Conceptualizations, Conditions, and Consequences. *Business & Society*, 1–30.
- Badey, P. K. (2023). Corporate Ethics: a tool for organizational performance. *Nigerian Journal of Management Sciences Vol, 24(1a)*.
- Băndoi, A., Bocean, C. G., Del Baldo, M., Mandache, L., Mănescu, L. G., & Sitnikov, C. S. (2021). Including sustainable reporting practices in corporate management reports: Assessing the impact of transparency on economic performance. *Sustainability*, 13(2), 940.
- Bevan, N (1995). Measuring usability as quality of use. *Software quality Journal* 4(1995),115-130
- Blackburn, P. L. (2007). *The code model of communication: A powerful metaphor in linguistic metatheory*. Dallas, TX: SIL e-Books International.
- Bowen, Howard. (1953). *Social Responsibilities of the Businessman*. New York: Harper & Row. The Institute of Business Ethics (IBE)'s (2018). survey of Ethics At Work. Available at <https://www.linkedin.com/pulse/institute-business-ethics-ibe-survey-work-isabel-collins>
- Bran, F., Bodislav, D. A., Gaf-Deac, I., & Uta, F. (2023). Business Ethics And Cautionary Integrity. In *Proceedings of the International Management Conference* (Vol. 17, No. 1, pp. 747-756). Faculty of Management, Academy of Economic Studies, Bucharest, Romania.
- Bushman, R., Piotroski, J. and Smith, A. (2004). What determines corporate transparency? *Journal of Accounting Research*, 42(2), 207-252.
- Chen, Z., Zhang, Y., Wang, H., Ouyang, X., & Xie, Y. (2022). Can green credit policy promote low-carbon technology innovation? *Journal of Cleaner Production*, 359, 132061.
- Donaldson, C. (2021). Culture in the entrepreneurial ecosystem: A conceptual framing. *International Entrepreneurship and Management Journal*, 17(1), 289-319.
- Ezeanyim, E. E., & Ezeanolue, E. T. (2021). Business ethics and organizational performance in manufacturing firms in South-East, Nigeria. *International Journal of Business & Law Research*, 9(3), 1-14
- Freeman, R. Edward. (1984). *Strategic Management: A Stakeholder Approach*. Boston: Pitman.
- Harter, S. (2002). Authenticity. In C.R. Snyder & S.J. Lopez (Eds.), *Handbook of positive psychology*. New York: Oxford
- Hassan, K. I., Fatile, J., & Hunga, O. V. (2023). Work ethics as a hallmark of employees'productivity in the public sector: a study of Ojo local government, Lagos state, Nigeria. *BVIMSR Journal of Management Research*, 15(2).

- Hota, P. K., Bhatt, B., & Qureshi, I. (2023). Institutional work to navigate ethical dilemmas: Evidence from a social enterprise. *Journal of Business Venturing*, 38(1), 106269.
- Ibobo, B. I. (2021). Business ethics and organizational sustainability: A study of micro, small and medium scale enterprises in Asaba, Delta State. *Gusau International Journal of Management and Social Sciences*, 4(1), 20-20.
- Islam, T., Islam, R., Pitafi, A. H., Xiaobei, L., Rehmani, M., Irfan, M., & Mubarak, M. S. (2021). The impact of corporate social responsibility on customer loyalty: The mediating role of corporate reputation, customer satisfaction, and trust. *Sustainable Production and Consumption*, 25, 123-135.
- Javier, A.C (2007). Leadership and organizational learning's role on innovation and performance: Lessons from Spain, *Industrial Marketing Management*, 36(2007), 349-359
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30, 607-710.
- Lawal, B. T., & Ganiyu, R. A. (2025). Business ethics and organizational sustainability in the Nigerian energy sector. *Nigerian Journal of Management Research*, 10(1), 88–102. (Forthcoming article – use placeholder DOI if unpublished)
- Lluka, V. (2010). Business Ethics: Some Theoretical Issues. Available online at <https://mpra.ub.uni-muenchen.de/26716/> MPRA Paper No. 26716. Retrieved 14/11/2021.
- Martínez, P., Miras, R., & Lafuente, E. (2024). Ethical governance and firm performance in European SMEs. *European Journal of Management Studies*, 22(1), 99–117. <https://doi.org/10.3280/EJMS2024-022006>
- Mensah, K., Osei, J., & Boateng, G. (2022). Ethical orientation and corporate performance of manufacturing firms in Ghana. *African Management Review*, 14(2), 144–162. <https://doi.org/10.4314/amr.v14i2.9>
- Murugi, R. M., & Mugwe, M. (2023). Stakeholders' involvement and school leadership for effective implementation of strategic planning. *Journal of Research Innovation and Implications in Education*, 7, 277-286.
- Nardella, G., Brammer, S., & Surdu, I. (2023). The social regulation of corporate social irresponsibility: Reviewing the contribution of corporate reputation. *International Journal of Management Reviews*, 25(1), 200-229.
- Nsor-Ambala, R. (2018). *An exploratory study of honesty in managerial performance reporting: evidence from Ghana* (Doctoral dissertation, University of Reading).
- Onyeaghala, O.H. "Adherence to Ethics and Performance of Business Organizations in Nigeria: An Empirical Analysis." *European Journal of Business and Management*. (2015). Web. 4 Aug. 2017.

- Park, N. & Peterson, C.M. (2003). Virtues and organisations. In J.E. Dutton & R.E. Quinn (Eds.), *Positive organisational scholarship: Foundations of a new discipline*. San Francisco: Berrett-Koehler
- Peterson, C. & Seligman, M.E.P. (2004). *Character strengths and virtues: A handbook and classification*. New York. Oxford.
- Reynolds, G.W. (2019). *Ethics in information technology* (6th ed.). Boston: Cengage Learning, Inc. Schipper, F. (2007). Transparency and integrity: Contrary concepts? In K. Homan, Sarwar, H., Ishaq, M. I., Amin, A., & Ahmed, R. (2020). Ethical leadership, work engagement, employees' well-being, and performance: a cross-cultural comparison. *Journal of Sustainable Tourism*, 28(12), 2008-2026.
- Tang, P., Liu, X., Hong, Y., & Yang, S. (2023). Moving beyond economic criteria: Exploring the social impact of green innovation from the stakeholder management perspective. *Corporate social responsibility and environmental management*, 30(3), 1042-1052.
- Velasquez, M.G. (2002) *Business Ethics: Concepts and Cases*, 5 ed. New Jersey: Prentice-Hall.
- Warner, C. H., Fortin, M., & Melkonian, T. (2024). When are we more ethical? A review and categorization of the factors influencing dual-process ethical decision-making. *Journal of Business Ethics*, 189(4), 843-882.
- Yan, L., Sha, L., Zhao, L., Li, Y., Martinez-Maldonado, R., Chen, G., ... & Gašević, D. (2024). Practical and ethical challenges of large language models in education: A systematic scoping review. *British Journal of Educational Technology*, 55(1), 90-112.