

Business Ethics for Entrepreneurial Success: A Tool for Effective Service Delivery

Ezenwobi Emily Chinelo
School of Business Education Gombe
Federal College of Education (T)
Gombe State

&

Rose K. Dalyop Jah
School of Business Education Gombe
Federal College of Education (T)
Gombe State

Abstract

Entrepreneurship has become a worthy practice direly needed now to occupy youths and other idle minds in useful ventures has been shout in this decade but some of its practices are not of acceptable standards. Ethical practiced which when practiced will sustain efforts were discussed to enlighten practitioners and intending ones of the benefits and adverse effects applying or not applying ethically accepted standards. If truthfulness, accountability, prudence, due process, resourcefulness etc. are fully involved in entrepreneurship ventures, profits, survival, growth, good public image, more capital and, reduced risks of failure will be the order. One of the recommendations is that Consumer protection/law enforcement agencies such as NAFDAC, SON, EFCC, ICPC be alive to their duties by re-emphasizing and enforcing all the laws promulgated to enforce behaviour especially in business.

Keywords: entrepreneurship, ethic standard, unemployment, youth.

Introduction

The concern of unemployment in Nigeria has been one of the most discoursed in the nation in recent years. Universities in Nigeria has been churning out graduates that have continued, to clog up the labour-market, thereby, increasing the growth rate of unemployed youths in the nation. Unemployment is defined as an economic condition in which individuals seeking jobs remain unhired (Ayatse, 2013). It can also be seen as the share of the labour force that is without work but available for seeking employment. Rising incidence of unemployment results in loss of income for individuals, reduces revenue for governments, hinders economic growth and increases pressure on government – spending on social benefits in advanced countries.

According to Oyedokun (2010), of the over 40 million youth in Nigeria, 23 million are unemployed and therefore susceptible to crime, hence the need to eliminate all impediments against youth entrepreneurship development. It is very difficult to attain sustainable economic growth without entrepreneurial efforts of this large group of population. Today's youths have

the potential to create a better Nigeria, therefore, it is necessary to ensure the contribution of vigorous, hardworking and entrepreneurial youth to make Nigeria a middle-income country. To boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a useful alternative for income generation in young people (Ryan, 2003).

According to Emejulu (2014), entrepreneurship is the act of being an entrepreneur which involves the process of generating ideas and venturing into business risks created by dynamic environment and making the best of opportunities for profit purposes. Entrepreneurship enable one to be innovative, creative and take business risks to become a successful entrepreneur. An entrepreneur is one who is creative, resourceful, innovative, skillful, and ventures into business risks to become successful (Okoye, 2017). The entrepreneur is an initiator and wealth creator. Deen in Ezenwafor and Olaniyi (2016) advocated that there was growing scientific evidence that entrepreneurship development is capable of stimulating employment, productivity and economic growth in terms of establishment of small and medium enterprises.

Entrepreneurship is a global phenomenon. Entrepreneurship is increasingly neglected as an important activity to business firms. In today's competitive business environment, strengthening entrepreneurship is important for any enterprise that is developing its responsiveness to a globalized and changing environment. Entrepreneurship, according to the concept introduced by Schumpeter in 1934, is characterized by innovative behavior and a strategic orientation in pursuit of probability and growth and it involves a process of combining resources for value creation in an organization (Tan, 2007).

Small and Medium Enterprises

Entrepreneurship has long been viewed as an engine that derives innovation and processes economic development. In today's intensifying global competition, increasing interdependence, rapid technology development, unstable environments, and many other factors have highlighted the need for organization to become more entrepreneurial in order to survive and prosper. An organization's survival and success require continuous organizational renewal, innovation, risk-taking, and pro-activeness-the dimensions of entrepreneurial orientation (Rauch, Lumpkin, Wiklund, and Frese, 2009). Entrepreneurship contributes to the improvement of living standards in a country; it secures social unity, prevents social marginalization (Marcin, Wojciech and Katarzyna, 2015) and contributes to the creation of new technologies, products, and services. Furthermore, entrepreneurship changes and revives market competition, which in turn results in fundamental changes within an enterprise.

Small and Medium Enterprises (SMEs) are increasingly recognized as important drivers of socio-economic development all over the world (Kazungu, Ndiege Mchopa, and

Moshi, 2014). Employees are the internal stakeholders of these firms and ethical practices towards them are of primary concern if the long-term sustainability is to be aimed at. It is a universal truth that a satisfied and motivated work force is the primary step towards the long-term success in business. It is our contention that ethical practices towards the employees can warrant job satisfaction and enhanced motivation levels which will eventually lead to better profitability.

The success or failure of any business depends largely on ability of the businessman to effectively and efficiently use his positive qualities and restrain the negative ones. Some business practitioners are so profit minded that they go extra mile falsifying raw materials, selling substandard goods, using fake measurements and even relating unfriendly with customers who are supposed to be treated as 'kings' forgetting that a customer maltreated once, may never patronize such a business again. (Olupayimo, 2020).

Caldwell, Harland, Powell and Zheng, (2013) noted that in order for small and medium enterprises to succeed, there is need for various forms of support from various parties including support in cultivating their entrepreneurial and business leadership skills of which business ethics forms an integral part. In support of cultivating an ethical practice supportive of entrepreneurial business. Gawaxab in Black (2013) alluded to the fact that the entrepreneurship seems to have become synonymous with unethical and corrupt business practices in the collective Nigerian mindset. There is, therefore, a need for Nigerian based research in the area of business ethics and entrepreneurship with a view to create a supportive environment for SMEs which would boost the Nigerian GDP.

Entrepreneurship is the process of creating something new with value by deriving the necessary time and effort, assuming the accompany financial psychic and social risk and receiving the resulting rewards of monetary and personal satisfaction and independence (Anaehobi, 2010). Entrepreneurship is developed by entrepreneurs who are men and women of action, who are courageous, alert and sensitive to environment and possess ability to create visions concerning the business environment (Nzelibe, 1996). One will then say that entrepreneurship is the driving force behind any business. It creates and combines other factor inputs in production to enable the achievement of profitability in any effort.

Ethical Issues

Ethical is an adjective derive from ethics. Ethics represent a set of principles or rights and wrong behaviour guiding or representative of a specific culture, society, group or individual. Business ethic is the system of laws and guidelines by which business professionals and corporations operate in a fair, legal and moral fashion. Business ethics involves the moral values and behavioural standards that business people draw on as they make decisions and solve problems (Ekwue and Azu 2017). It originates in a commitment to do what is right.

Ethical behaviour-doing what is “right” as opposed to what is “wrong” – starts at the top of an organization with the entrepreneur. In view of this, Mariotti (2010) stated that ethical business values such as honesty, fairness, mutual respect and kindness benefit entrepreneurs in building trust and delivering substantial employee loyalty to the firm and to the entrepreneur. The author inferred that in a small enterprise the owner manager who abides by a code of ethics allows the benefit derived by such to contribute to business performance. Any setting without basic rules for fair practices or moral consciousness is bound to collapse someday. Ethics establish obligations and duties that people owe to others and society. Our country Nigeria has faced various stages of attacks and inter-tribal differences resulting to untold hardships and displacements. When arrests are made, confessions show that this mayhem is mostly committed by idle minds especially youths who are full of life and strength. Azih and Nwagwu (2015) noted that the nation is wasting her resources fighting insecurity caused by her idle youths. So, when the calls for entrepreneurship education are made, much emphasis should be in imbibing positive ethical values that will sustain entrepreneurship attempts.

Ethical education is training for duty and it aim at developing the mind in such a way that every faculty is opened, kept sharp, applied to all practical purpose to encourage individuals develop their moral reasoning (Onajite and Onyeson, 2016). It is important to note that ethical business education is mandatory for all and any business practitioner who is dubious in character, fraudulent in action, self-centered, myopic and have no consideration for other people cannot succeed. Through business practitioners often encounter ethical dilemma when confronting a situation that requires choice making yet, there is the need to imbibe these business ethics to overcome such challenges. When ethical standards are properly learnt and adhered to, truthfulness, transparency, accountability, due process, perseverance, prudence, modesty, self-control among others will be evident in the life of the business practitioners (Gana, 2010).

It should be noted that issues of good behaviour should start very early in life. Parents/guardians have the responsibility of starting quite early to direct children’s mind to what is good and implications of what is bad. However, lost opportunities can be regarded at schools and other good influential environments. Gana (2010) stated that moral education is a collective responsibility of every citizen and the traditions, customs, norms, values and beliefs help the youth to develop proper character formation. The author posited that moral education is training for duty. It goes a long way in helping to run affairs creditably and allow such affairs to be sustained.

Ethical Standards in Entrepreneurship

Ethical standards are rules or principles established either by authority such as government, professional association, employer or a custom (Wikipedia 2022). Most times, it is people that are morally upright that will be comfortable with the standards. In any enterprises, ethics should

be taken seriously to help promote business. Business ethics can then be said to be organizational standards, principles, set of rules and norms that govern the actions and behaviour of people in the organization. According to Ikegwani (2017), when ethical standards are properly learnt and adhered to, one observes the following:

- a. Truthfulness seen in one being honest in everything committed to his/her care.
- b. Accountability seen in one living up to expectation especially in subjecting one to probe and found to be having integrity.
- c. Transparency seen in being open and maintaining trust.
- d. Due process in following laid down rules in getting what one wants.
- e. Perseverance which is seen in people being patient enough to earn honest living.
- f. Prudence and self-control seen in people being content and ability to manage scarce resources to earn much.
- g. Consciousness of observers which makes one act honorably to attract commendation.
- h. Maintenance of good relationship through good image. Good image, we know, is a great attraction.
- i. Resourcefulness and a host of other good virtues.

These promote values such as trust, good behaviour, fairness, and/or kindness. They give confidence to one who possesses them as one's endeavours will be sustained even after death unless a successor decides to operate otherwise.

In the early late Professor Dora Akunyili as Minister for Communication, she brought out the policy of rebranding Nigerians which simply implies returning their minds to basic ethical brands they use to be. A big emblem posted on doors and windows of most offices poses a designed word – SERVICOM showing plans for better service offers and accompanying sanctions against offenders but the impact is yet to be felt. One of the past governors of Anambra state, Mr. Peter Obi during his first tenure introduced value-orientation program as a great campaign among students and the general public. It was a welcome idea as t-shirt, posters, hand bills, school sign boards all adopted it. Shortly after, it died out of the mouths and heart of citizens and no more heard but only referred to as onetime program. This is wrong as such ethical education programs should be sustained from one generation to another and should be basic living standard. Gana (2010) believed that Nigeria has moral education imbued to harness both human and natural resources for effective development of the nation. However, principles of 'get rich quick' without commensurate efforts erupted in the "80s" and so, embezzlement of public funds, measuring with standard weights, profiteering with sub-standard products, piracy, breaking of patent and copyright licenses, stealing, obtaining funds under pretense (commonly called 419) and a host of other vices are now in place.

Ogundele (2006) noted that government, educational institutions and the international organizations assume that entrepreneurs would be ethical in their behaviour but it is wrong

assumption when one considers the problems of indigenous entrepreneurs. Ogundele (2007) equally stated that there has been serious neglect of the moral or valued behaviour in the development of entrepreneurs. Ethical issues which were the foundation of excellence of the Japanese and USA entrepreneurs are seriously neglected in Nigeria by the players-the advocates and the interested people trying out entrepreneurship.

Unemployment of youth that had parents/guardians with established enterprises is the order of the day because the youth are not ready to patiently reap from matured efforts rather, they squander such organizations' funds leaving the efforts of grand generations to collapse.

Entrepreneurs have potentials which can only be strengthened by moral uprightness in business. These potentials include:

1. Objectively which shows itself in facing well analyzed situation and wishful thinking.
2. Desire to achieve because entrepreneurs have driving force to accomplish purposes.
3. Creativity which requires improving present condition to have new things made.
4. Innovation – making them always search for new opportunities. They believe that achievement today has new and better ways of achieving them.
5. Goal – oriented which always lead them to purposeful activities.

When all the characteristics enumerated before such as truthfulness, prudence, accountability, resourcefulness etc. are added, the enterprise will outlive generations that believe in practicing ethical standards all the way.

Entrepreneurs are faced with varying groups in their environment such as the family, the employees, the local community, the suppliers, the society and the product market. Moral disposition to all the groups by entrepreneurs will make them be favorably disposed to them ensuring greater patronage, survival and growth. At this point, some business ethics required by entrepreneurs include provision of safe working environment, payment of fair remunerations, respect for consumers' rights, fair treatment of staff and shareholders, ethical advertising, carrying out adequate social responsibilities, in fact, improving life through their products and offers.

The gains from a morally upright endeavour can never be over emphasized. When entrepreneurs ethically pursue their goals, the following will be observed:

1. Continuous patronage: this, Riar (2017) states that ethical behaviour and corporate social responsibility can bring significant benefits in attracting customers to the firm's products which in turn boosts sales and profits.
2. Survival because when there is customer loyalty, a business can continue to thrive even if there is no noticeable growth.
3. Growth and development are assured when survival is not threatened.

4. Commendation and awards. by various agencies that are interested in rewarding creditable businesses.
5. Rights of consumers are maintained reducing consumerism which brings about sanctions. There will be less hostility from the immediate and remote communities/environment.
6. Favorable public image: Reputation is one of a company's most important assets and one of the most difficult to rebuild should it be lost (Wikipedia, 2022).
7. Low labour turnover seen in employees wanting to stay with the business, and more will be attracted to work for the business. This will in turn reduce recruitment costs and enable the company to get the most talented employees continued Riar.
8. More capital to venture into other area as investors prefer the company's share making the price high, thereby protecting the business from takeover and bringing about diversification.
9. Reduced risk of failure and assurance of sustenance.

Consequences of Unethical Practices

Ikegwani (2017) posted Some unethical practices that can be noticed includes profiteering, exploitations of all kinds, making false, exaggerated or unverified claims, using women as sex symbols even for unrelated matters, false or misleading advertisements. This is to mention but a few. If entrepreneurs continue to practice on unethically acceptable standards, they will experience

1. Rejection and hostility as buyers or patronizes begin to reject their products or services.
2. Less profits because where sales reduce because of reduced patronage, less profit will be made.
3. High risk of failure because there is tendency to fail once survival is threatened due to disastrous consequences of loss of reputation, sales and profit.

Conclusion

It is concluded that for entrepreneur to succeed, they need to imbibe certain standard business ethics which will enhance faithfulness, diligence, accountability, fair deal with customers, transparency, utilization of standard measurement, payment of appropriate tax, production of quality and standard goods and services. Moral issues should be treated with every amount of seriousness by all sundries. This will result in more thriving entrepreneurship ventures and greatly reduce dependency on the government for job creation.

Recommendations

1. All levels of education should have a course that will inculcate moral values in all disciplines.
2. Ethical education be made mandatory for all, both entrepreneurs and customers.
3. Nigerians be committed to do what is right always.

4. Consumer protection/law enforcement agencies such as NAFDAC, SON, EFCC, ICPC be alive to their duties by re-emphasizing and enforcing all the laws promulgated to enforce behaviour especially in business.
5. Government to provide suitable environment for entrepreneurs.

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