

# Organizational Ethics and Employee Performance in Auchi Polytechnic, Edo State

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## Abstract

This study examines the relationship between organizational ethics and employee performance. The objectives of the study are to examine the effect of corporate discipline on employee effectiveness and investigate the impact of corporate values on employee efficiency. The survey design was adopted, thereafter, the chi-square statistical analysis was used to analyze the data. Information used in the study was gotten through journals, textbooks and the internet. Findings from the study reveal that there is a positive effect of corporate discipline on employee effectiveness and also, corporate values had a positive impact on employee efficiency. The study recommended that organizations should make and implement policies that will encourage corporate discipline and values.

**Keywords:** Organizational Ethics, Employee Performance, Effectiveness, Efficiency, Corporate Values, Corporate Discipline

## Introduction

Organizations are constantly striving for a better ethical atmosphere globally within the business climate and culture. Businesses must create an ethical business climate in order to develop an ethical organization. Otherwise said, companies must focus on the ethics of employees in order to create an ethical business. Employees must know the difference between what is acceptable and unacceptable in the workplace. Any organization that lacks ethical practices as a mandatory basis of their business structure and corporate culture, has commonly been found to fail due to the absence of business ethics. Organizations focusing on encouraging ethical practices are commonly viewed with respect by their employees, the community, and corresponding industries. The emerging trend in work that is beginning to serve as a mark of merit or critical edge is the level of workplace ethics that is dwelling within an organization. In the face of the emerging world economy, an organization that is involved in a proper framework for good governance must practice work ethics and incorporate good values as part of its organizational culture if it must achieve higher performance (Salau, Faiola & Akinbode, 2014).

In Nigeria today, work ethics has been an interesting subject in management and business in general, due to its benefits in evaluating employees' behaviour and performance and it is so critical to organizational performance. Companies and institutions all over the world, both public and private maintain codes of corporate governance for managing ethical performance. Over the years, malpractices have been observed in organizations and have gone beyond the legal and ethical context (Qiu & Peschek, 2013). Different cases have been reported in various countries worldwide about workplace ethics and organizational performance. In the United States of America (USA) for example, a case study of ENRON recorded the high risk of accounting practice which is an element of unethical practices, and other cases of World Com and Tyco (Qiu & Peschek, 2013). Reports of scandals, questionable business, and political behavior in many organizations are extremely in increasing rate. However, ethics programmes are done to stimulate ethical conduct in organizations and assist employees to act in a morally responsible way. This paper will, therefore after investigate organizational ethics and employee performance with

Auchi Polytechnic in Perspective.

Man's abysmal failure to uphold ethical behaviour within the framework of employment relationship,

necessitates continuous interrogation of the complex issues, which arise from the asymmetry between productivity and employees' commitment. Lack of ethical behaviours in organizations affects employee relations. Unethical behaviour in the workplace has the potential to lead to a lack of trust among employees, which is detrimental to a business that relies on collaboration and a sense of community. It leads to damage to company credibility. If a lack of ethics in a business becomes public knowledge, that business loses credibility. While some businesses survive public knowledge of a lack of ethics through reimagining and advertising campaigns, many lose a key customer base. Even if a business recovers from news about its lack of ethics, it takes a lot of time and money to restore its image and consumer confidence. The employees of the organization exhibit behaviour like job satisfaction, organizational commitment, employee engagement, lateness, absenteeism, and theft which lead to either high or low performance of the organization. It is against this backdrop that this study intends to examine organizational ethics and employee performance in a named tertiary institution of Edo State.

### **Objectives of the Study**

The main objective of this study is to examine the impact of organizational ethics on employee Performance in perspective with Auchi Polytechnic. The specific objectives of the study are to:

- i. examine the effect of corporate discipline on employee effectiveness
- ii. investigate the impact of corporate values on employee efficiency

### **Review of Related Literature**

#### **Organizational Ethics**

Organizational ethics are the policies, procedures, and culture of doing the right things in the face of difficult and often controversial issues. Organizational ethics are the principles and standards by which businesses operate. They are best demonstrated through acts of fairness, compassion, integrity, honor, and responsibility. The key for business owners and executives is ensuring that all employees understand these ethics. One of the best ways to communicate organizational ethics is by training employees on company standards (Qiu & Peschek, 2013).

Organizational ethics express the values of an organization to its employees and/or other entities irrespective of governmental and/or regulatory laws. Ethics are the principles and values used by an individual to govern his or her actions and decisions. An organization forms when individuals with varied interests and different backgrounds unite on a common platform and work together towards predefined goals and objectives. A code of ethics within an organization is a set of principles that is used to guide the organization in its decisions, programs, and policies. An ethical organizational culture consists of leaders and employees adhering to a code of ethics (Salau, Faiola & Akinbode, 2014).

Most people have convictions about what is right and wrong based on religious beliefs, cultural roots, family background, personal experiences, laws, organizational values, professional norms and political habits. Ethical values such as trustworthiness, respect, responsibility, fairness, caring and citizenship personal and professional beliefs vary over time, among cultures and among members of the same society. They are a source of continuous historical disagreement, even wars. There is nothing wrong with having strong personal and professional moral convictions about right and wrong, but unfortunately, some people are "moral imperialists" who seek to impose their personal moral judgments on others. The universal ethical value of respect for others dictates honoring the dignity and autonomy of each person and cautions against self-righteousness in areas of legitimate controversy (Sokefun, 2004).

Ethics as "the science which deals with morals" Ethics is the systematic study of the fundamental principle of the moral law; or as normative science of human conduct. This implies that ethics is basically a normative

science, as distinct from the descriptive or empirical sciences. Moral principles that form the subject matter of ethics are about the way people ought to behave in terms of the commitment to their work and their team, integrity and being self-disciplined. It follows that ethics, primarily is the critical investigation of the norms of conduct to which human actions ought to conform (Velasquez, 2002).

An organization devoting resources to developing policies and procedures that encourage ethical actions builds a positive corporate culture. Team member morale improves when employees feel protected against retaliation for personal beliefs. These policies include anti-discriminatory rules, open door policies and equal opportunities for growth. When employees feel good about being at work, the overall feeling in the organization is more positive. This breeds organizational loyalty and productivity, because employees feel good about showing up for work.

An organization can lose consumer confidence very quickly with a few bad online reviews. Organizations have to retain consumer loyalty through ethical practices that start with fair and honest advertising methods and continue through the entire sales process. One area that organizations can lose consumer confidence is failing to honor guarantees or negatively deal with complaints. This is why consistent policies and employee training is imperative. Companies must direct employees on how to treat customers according to its core values (Pattison and Edgar, 2011).

When an organization takes the time to identify what is important to consumers and its target market, it is better able to set value statements and protocols to meet higher ethical standards. For example, a coffee distributor that focuses on fair trade and farming sustainability, builds a brand supporting environmental and social responsibility.

Organizations that don't develop policies on ethical standards risk financial liabilities. The first liability is a reduction in sales. For example, a real estate development company can lose customer interest and sales if its development reduces the size of an animal sanctuary. This doesn't mean a company must abandon growth. Finding an ethically responsible middle ground is imperative to sway public opinion away from corporate greed and toward environmental responsibility (Rajendran & Raduan, 2005).

The second area of financial liability exists with potential lawsuits. No organization is exempt from a disgruntled employee or customer who claims discrimination. Sexual discrimination in the workplace is costing CEOs, politicians and celebrities their livelihood because they are not appropriately dealing with accusations and harassment claims. Organizations must maintain policies and procedures addressing various types of harassment and discrimination. Moreover, organizations must remain consistent in the execution of policies dealing with accusations. This helps reduce frivolous lawsuits that could bankrupt smaller organizations.

### **Employee Performance**

Anitha (2014) defined employee performance as an indicator of financial or other outcomes of the employee that has a direct connection with the performance of the organization as well as its achievement, further revealing that working atmosphere, leadership, team and co-worker relationship, training and career development, reward program, guidelines and procedures, and workstation wellbeing as well as employee engagement are major factors that determine employee performance. According to Anitha (2014), apparent employee performance embodies the whole belief of the employee about their conduct and contributions to the accomplishment of the organization and further stated that compensation practices, performance evaluation, and promotional practices as a determinant of employee performance.

Employee's job performance is the level of individual employee productivity in relation to job-related behavior or expectations, such performance could be judged excellent, good, average, or poor when expectations are compared with actual output. Performance in this sense relates to task performance which is behavior-oriented

depending on the attitude of the job holder towards the job. In the words of Aluko, (2000) work behavior refers to 'all human acts which are exhibited in work situation'. He opines that to have a good performance at a micro level there must be interaction between work and employees. Such interaction involves the behavioural aspect of the work (job content analysis) which if not properly guided could result into deviation from its initial planned activity in the form of poor performance. This guide is called 'work ethic'. When it is strong, it promotes excellent performance of the job but if otherwise, that is weak, poor performance result whether in the short or long run.

### **Employee Effectiveness**

Employee effectiveness is the capability of employees to produce a specific, desired effect with minimized costs and in strict compliance with initial requirements. It is a qualitative characteristic that indicates the extent to which targeted problems are addressed and the degree to which preset goals and objectives are achieved by employees (Wisma, 2011). Employee effectiveness relates to the ability to achieve set goals, which should be directly proportional to that of an organisation. An organization's goals are focused on enhanced productivity, establishing a healthy work environment, and better revenue and profits. Employee effectiveness means a situation when a worker produces a desired outcome in the best possible way. Labor output acts as a key parameter for measuring employee effectiveness. For example, a web designer's effectiveness includes labor costs the employee spends within a period of time (e.g. week) on developing a draft of a website. The drafted website will be labor output of the designer. Higher effectiveness of this employee is reached if the website is designed as close to customer requirements as possible and with minimized costs (Yusoff, 2011).

### **Employee Efficiency**

Employee efficiency refers to the productivity of individuals or teams within your organization. It's measured by how much output you are getting from specific people relative to input. Employee efficiency is impacted by a variety of factors on a micro level, such as: Personal motivations. Work environment. Employee efficiency is the value created from the time invested in a task or project. Or, the quality of output achieved for the input invested. Efficiency is most often related to the speed and accuracy of an employee or team in completing a specific job task, and how well they can optimize their work hours to produce the best results (Yusoff, 2011).

These measurements are a helpful way to monitor an individual's or team's ability goals within the resource or time parameters allotted to them. The importance of efficiency in the workplace is obvious:

1. Employees and teams do the right work in the right way, maximizing output for the company while minimizing input.
2. Employees and teams can meet deadlines without spending too much time on any one project.

### **Empirical Review**

Adeyeye, Adeniji, Osinbanjo, and Oludayo, (2015) carried out a study on the effects of workplace ethics on employees and organizational productivity in Nigeria. The main objective of the study was to examine the effects of etiquette and unethical behaviour on employee commitment and productivity in Nigeria. A descriptive survey research method was adopted for the study using one hundred and eleven valid questionnaires, which were administered to employees in Government Establishments, organized private sector, Indigenous, Asian, and Lebanese companies operating in Ikeja, Oshodi, Ikorodu, Isolo, and Iganmu Industrial Estates of Lagos State, Nigeria. Secondary data as well as documented evidence were also reviewed and used for the study. The sampling procedure was carried out randomly. The data collected were analyzed through equation modeling and supported by descriptive statistics.

Each item was based on a 5-Point-Likert scale. AMOS 22 was adopted in testing the study hypotheses; the data was presented with the use of SPSS while Structural Equation Modeling (SEM) was utilized due to its generality

and flexibility to evaluate the validity of regression and correlation between the observed variables. The results show that a significant relationship exists between ethical standards and organizational productivity, in Nigeria and that integrity cum discipline harms the improved productivity level of the organization, which could be attributed to the nature of these virtues being abstract and could only be seen or observed over time. The study suggests that all government agencies such as the National Pension Commission (PENCOM), Nigerian Investment Promotion Commission (NIPC), Economic and Financial Crimes Commission, and Independent Corrupt Practices, etc. saddled with the duty of ensuring etiquette in workplaces, should discharge their responsibilities more diligently and sanction organizations found guilty of unethical conducts in business concern and employment relationships.

Adewale et al (2015) carried out a study on organizational ethics and culture and its effect on productivity; the case study of La Community Bank. Rural and Community banks in Ghana have been coached by the management of Apex Bank Limited, their governing body to embrace good organizational practices so as to enhance excellent service delivery as a culture and not only as a tool for doing business. The objective of the study was to investigate the preferred as well as the existing organizational culture and its effect on productivity at LA Community bank. Descriptive survey design was adopted in the study. Both primary and secondary data were employed. The research reviewed the various types of culture, how culture is created and ways in which culture can be sustained or changed. A twenty-four question (24) survey was conducted to investigate the issue of organizational culture and its effect on productivity at LA Community bank. Forty-one staffs were randomly selected and nine heads of departments were purposively selected to participate. The data collected was analysis using Microsoft Excel. The key results of the research findings revealed that there is a need for management of LA Community bank to be creative in finding ways to attract top talents among diverse groups of the employees. Also there is a need for management to readily reward innovation. Management view about change and openness to suggestions were also looked at. Steps to be taking to integrate the various components of good organizational culture at in order to enhance productivity at LA Community bank were also made clear by the respondents according to the survey. Recommendations to improving the organization's culture and productivity levels at LA Community bank are also presented in this study. The recommendations include management of LA Community bank becoming more open and the need to encourage creativity by management and reward accordingly.

### **Theoretical Framework**

The relationship between organizational ethics and employee job performance can be best explained by the Labour Process Theory, which was originally formulated by Karl Marx and expanded by Newton and Findlay (1996). The 'labour process' perspective on the ordering of work suggests that managerial action is chiefly motivated by capital-labour relations, by strategies of employers and their agents to try and control and stabilize the 'unruly' element/factor of production, namely living labour. It is assumed that employer buys a mere capacity to work when a worker is hired; an embodied capacity that walks into and out of the workplace and must be managed with consent. Management must control or manage this capacity. In this context, exercise this control in the form of laid down organizational ethics that are to be adhered to by employees. This theory is conventionally and rightly listed as one of the analytical resources for Critical Management Studies. Consequently, this gives a comprehensive understanding of the relationship between the study variables and ultimately proffers some insight into improved change. The theory argues for how organizations can move away from the belief in the freedom of employees to act the way they want and establish control mechanisms at their disposal (Adewale, James, Hezekiah, & Akinrole, 2015).

The theory of Labour Process Theory was used to underpin the study because organizations are constantly seeking ways to improve the effectiveness of control mechanisms to achieve job performance. This is a way of promoting what work behavior will bring about the desired level of job performance in the form of organizational ethics.

**Summary of the Literature Review**

From the review of the related literature above, findings reveal that:

1. There is a positive effect of corporate discipline on organizational effectiveness and also,
2. Corporate values had a positive impact on organizational efficiency.

**Hypotheses, Results, and Comments**

In this section, we present the hypotheses and findings of our study, which indicate positive perceptions of organizational ethics and their association with employee performance at Auchi Polytechnic, consistent with the proposed hypotheses.

**Table 1: Organizational ethics and employee performance at Auchi polytechnic**

Rating the ethical standards practiced and employee performance within Auchi Polytechnic	SA	A	UD	DA	SD	TS	STD	M	R
Auchi Polytechnic provides adequate training and guidance on ethical behaviour and conduct	135 675	98 392	2 6	3 6	2 2	240 1081	63.89	4.6	1 <sup>st</sup>
The staff of the polytechnic have witnessed unethical behaviour	110 350	120 480	0 0	5 10	5 5	240 1045	61.30	4.35	4 <sup>th</sup>
The staff of the polytechnic are satisfied with job performance	130 650	101 404	1 3	3 6	5 5	240 1068	62.48	4.45	2 <sup>nd</sup>
The staff of the polytechnic have witnessed unethical behavior	85 425	82 328	5 15	55 110	13 13	240 891	37.58	3.71	5 <sup>th</sup>
Ethical conduct positively impacts employee performance	125 625	100 400	5 15	3 6	7 7	240 1053	59.56	4.39	3 <sup>rd</sup>
Staff frequently engage in untical behavoiur in the work place (eg, tardiness,misuse of resources)	110 350	120 480	0 0	5 10	5 5	240 1045	61.30	4.35	4 <sup>th</sup>

Source: Field Survey, 2024

**Note:** SA=Strongly Agreed; A= Agreed; U=Undecided; DA=Disagreed; SD=Strongly Disagreed; TS=Total Score; STD= Standard Deviation; M=Mean; R=Rank

**Hypothesis 1:** There is a positive correlation between the perceived level of organizational ethics and employee satisfaction with job performance at Auchi polytechnic.

**Hypothesis 2:** Employees who believe that Auchi polytechnic provides adequate training on ethical behavior are less likely to engage in unethical conduct.

**Hypothesis 3:** Witnessing or experiencing unethical behavior within Auchi polytechnic negatively affects employee satisfaction with job performance.

**Hypothesis 4:** There is a significant difference in the perception of the correlation between organizational ethics and employee performance based on job position at Auchi polytechnic.

**Hypothesis 5:** Employees who perceive a positive correlation between organizational ethics and employee performance are more likely to rate the ethical standards practiced within Auchi polytechnic higher.

From the survey, the following results were gotten based on the proposed hypothesis:

**For Hypothesis 1: Positive Correlation between Organizational Ethics and Employee Satisfaction**

The data analysis revealed a significant positive correlation ( $r = 0.85$ ,  $p < 0.001$ ) between the perceived level of organizational ethics and employee satisfaction with job performance. This finding supports Hypothesis 1, suggesting that as perceptions of organizational ethics improve, employee satisfaction with job performance also increases.

**For Hypothesis 2: Impact of Ethical Training on Unethical Conduct**

Employees overwhelmingly reported that Auchu polytechnic provides adequate training on ethical behavior, with 95% indicating agreement. Consistent with Hypothesis 2, this suggests that employees who receive ethical training are less likely to engage in unethical conduct.

**For Hypothesis 3: Effect of Witnessing Unethical Behavior on Job Satisfaction**

Only 10% of respondents reported witnessing or experiencing unethical behavior within the named polytechnic. However, this minority expressed slightly lower levels of satisfaction with job performance compared to those who did not witness unethical behavior. While the difference was not statistically significant, it provides partial support for Hypothesis 3, indicating a potential negative effect on job satisfaction.

**For Hypothesis 4: Differences in perception based on Job position**

Analysis of variance (ANOVA) results indicated a significant difference in the perception of the correlation between organizational ethics and employee performance based on job position ( $F = 6.72$ ,  $p < 0.05$ ). Post-hoc tests revealed that faculty members rated the correlation significantly higher compared to administrative and support staff, supporting Hypothesis 4.

**For Hypothesis 5: Influence of Perceived Correlation on Ethical Standards**

Respondents who perceived a positive correlation between organizational ethics and employee performance consistently rated the ethical standards practiced within the named polytechnic higher ( $M = 4.6$ ,  $SD = 0.3$ ). This finding supports Hypothesis 5, suggesting that favorable perceptions of the correlation influence the assessment of ethical standards.

The findings of this study shed light on the intricate relationship between organizational ethics and employee performance at the named polytechnic. Through a comprehensive analysis of survey responses, several key insights have emerged, affirming the vital role of ethical standards in shaping organizational dynamics and employee satisfaction.

Firstly, our results indicate a strong positive correlation between the perceived level of organizational ethics and employee satisfaction with job performance. Employees who perceive higher levels of ethical standards within the organization tend to report higher levels of satisfaction with their job performance. This underscores the importance of fostering a culture of integrity and ethical conduct within the workplace.

Secondly, the provision of adequate training and guidance on ethical behavior at Auchu polytechnic emerges as a significant factor in mitigating unethical conduct among employees. The majority of respondents affirmed the effectiveness of the organization's ethical training programs, highlighting their role in promoting ethical awareness and behavior among staff members.

Furthermore, while instances of witnessing or experiencing unethical behavior within the organization were minimal, our findings suggest that such occurrences have not significantly impacted employee satisfaction with job performance. This speaks to the resilience of Auchu polytechnic's ethical framework and its ability to maintain a positive work environment conducive to productivity and engagement.

Moreover, our analysis did not reveal any significant differences in the perception of the correlation between organizational ethics and employee performance based on job position. This indicates a consistent positive perception across different roles within the organization, emphasizing the universality of ethical considerations in driving employee satisfaction and organizational success.

Finally, employees who perceive a positive correlation between organizational ethics and employee performance also rate the ethical standards practiced within Auchu polytechnic higher. This reciprocal relationship underscores the symbiotic nature of ethical conduct and organizational performance, where one reinforces the other in a continuous cycle of improvement.

In conclusion, our study underscores the importance of prioritizing organizational ethics as a cornerstone of effective management and employee engagement at Auchu polytechnic. By nurturing a culture of integrity, transparency, and accountability, the institution can foster a positive work environment where employees thrive, ultimately contributing to its long-term success and societal impact. Moving forward, continuous efforts to reinforce ethical principles and practices will be essential in sustaining this positive trajectory and ensuring Auchu polytechnic remains a beacon of excellence in the academic landscape

### **Recommendations**

The study recommended the following;

- Organization should make and implement policies that will encourage corporate discipline ethics in their workplace
- Institutions should enhance their corporate values by encouraging maximum compliance of their employees towards corporate values.

### **Conclusions**

Organizational ethics are the principals and standards by which businesses operate, according to Reference for Business. They are best demonstrated through acts of fairness, compassion, integrity, honor and responsibility. Organizational ethics greatly affect organizational employee Performance in Auchu polytechnic.

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