

# Business Ethics and Social Responsibility of Textile Manufacturing Companies in Port Harcourt, Rivers State, Nigeria

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**Abstract:** *The study examined the relationship between business ethics and social responsibility of Textile Manufacturing Firms in Port Harcourt. The objective of the study was to empirically investigate how business ethics relates with social responsibility of Textile Manufacturing Firms in Port Harcourt in terms of charitable responsibility and moral responsibility. The study utilized the cross-sectional exploratory survey research design. The study population involved nineteen (17) registered Textile Production Companies operating in Port Harcourt, Rivers State. By census sampling technique, the entire population became the sample as well. Concerning the respondents, the researcher picked four (4) top managers (General Manager, Operations Manager, Human Resource Manager, and Customer Relations Manager) from each of the companies. It therefore became that 68 (i.e 17\*4) became the number of respondents. A total of sixty-eight (68) copies of the questionnaire were distributed to the targeted respondents. Eventually, and the researcher was able to retrieve 63 copies of the questionnaire correctly filled. The test of hypotheses was done using Spearman's Rank Order Correlation Coefficient via the Statistical Package for Social Sciences (SPSS) version 20.0. The Spearman's (rho) correlation was used to analyze the relationship between independent and dependent variables at  $P < 0.05$  (two-tailed test). The study revealed the following: i. Business ethics and the charitable responsibility of textile manufacturing firms in Port Harcourt are strongly positively correlated, and; ii. Business ethics have a strong positive relationship with moral responsibility of Textile Manufacturing Firms in Port Harcourt. The research came to the conclusion that social responsibility, particularly in terms of moral responsibility and charitable responsibility, is strongly promoted by the application of business ethics to business operations. The study, among others, recommended that management should endeavour to ensure that they adhere to ethical practices and comply to standards in their dealings with internal and external stakeholders, as this will promote social responsibility that will in turn increase repeat patronage and customer base.*

**Keywords:** Business Ethics, Social responsibility, Charitable, and Moral Responsibility.

## Introduction

A business organization without business ethics is on its way to doom. Like every other business organizations, a textile manufacturing firm will not thrive if it has no business ethics governing it, which it follows to the later. A potential analytical framework for assessing management practices in general and sustainability in specific is provided by business ethics. The degree to which a management action is excellent, bad, or legal can be examined. The Bureau of Statistics estimates that Nigeria has 170 million people as of 2017. Nigeria had the largest market in Africa due to its large populace. As a result, this perceived status has drawn interest from around the world as many multinational corporations want to market their goods in Nigeria. Next, before making such product(s) available for widespread consumption, like every other country, it ensures through its government agencies that every product entering and leaving the country complies with the minimal requirements established by the International Standard Organization (ISO).

Therefore, it is expected of manufacturing firms in Port Harcourt, Nigeria, such as those producing textiles, to adhere to the standards set forth by the National Agency for Food, Drug, and Administration Commission (NAFDAC) or the Standard Organization of Nigeria (SON), respectively, at the national and international levels. This is true because the Federal Republic of Nigeria's constitution gives each of these regulatory bodies the authority to bring legal action against any errant company. These laws were

passed not only to protect the populace but also to resanitize Nigerian business operations and convey a message that goods made there are of high quality and should be able to compete with those made anywhere else in the world.

This is due to the fact that Nigeria, as a member of a globalized world with a single market created by the development of the internet and internetworking solutions, faces a serious challenge in maintaining standards in order to remain competitive and draw favorable trade balances with her international counterparts. And there is no better method for businesses to conform to standards than by incorporating a business-ethical mindset into all aspects of their operations. The definition of business ethics or ethics is the field of philosophy that examines the goodness and badness of the motivations and results of particular actions, as well as their rightness and wrongness (Velasquez et al., 2017). Ethics can also be thought of as the situation-specific application of moral standards that come from societal traditions, ideals, or beliefs about what is appropriate and inappropriate behavior (Miller et al., 2016). While it is true that ethical behavior must be demonstrated at the top, it is also crucial for everyone in the workplace to avoid any negative repercussions that could suggest a process is not being carried out effectively or an action that may involve leaders. When the word ethics comes up in conversation, people often tend to promote that the primary responsibility for it lies with the leaders.

The focus of this research has narrowed the topic of ethics to business ethics, which is concerned with upholding the social business ethics of contexts where business is conducted (Lynn, 2012). Corporate ethics do not fall under the purview of morality (Smith, 2014). "People of the same trade seldom gather together even for merriment and diversion," writes Smith (2014), "Yet the conversion culminates in a conspiracy against the public, or in some scheme to raise prices; while operating a firm, individuals discover ways to create the highest potential profits."

And though the economics of business today have evolved beyond simply increasing prices of goods arbitrarily due to the influence of competition, firms now employ other unique selling points like producing high-quality goods, packaging them well, providing high-quality customer service, being effective at both backward and forward integration, upholding high standards of social responsibility, etc. For instance, a company in Italy, China, the United States of America, or France may receive more business from Nigerians even though its products are more expensive than those made locally by Nigerian manufacturing companies, such as leather shoes, clothing, belts, and other items. This is because Nigerians believe that foreign companies are more committed to quality and standard operating procedures. However, adopting business ethics not only results in more customers and repeat patronage but also forces companies to uphold their social responsibility.

No group can fail to do as little as possible for its surroundings or host neighborhood. There are some fundamental issues that the environment and host communities must handle, and they look to organizations like textile manufacturing companies and others to do so. The supply of social amenities like decent roads, water, electricity, schools, hospitals, sanitation, job creation, and even skill acquisition programs are among these challenges (Nmom, 2015). Socially responsible businesses include those like textile manufacturing companies that can help the local community with some of its problems. As a result, "corporate social responsibility" in this research refers to an organization's social obligations, which include upholding the economic, environmental, legal, ethical, and discretionary norms of society at a certain moment. The practise of a firm functioning in a way that takes into account stakeholder requirements as well as the triple bottom line of economic, social, and environmental performance is known as social responsibility (Aguinis & Glavas, 2012).

Notwithstanding, Textile Manufacturing companies in Port Harcourt who participate in social responsibility activities portray themselves in a more positive light and increase the level of societal support for their company. This can be assumed given that they have the potential to resolve a specific social issue, benefiting both society and the ecosystem rather than harming them. According to Garriga and Mele (2014), textile manufacturing companies, like other corporate establishments, are expected to be good corporate citizens by abstaining from illegal activity, paying taxes on time, and taking other socially responsible actions like offering the host community employment and skill-building opportunities. For the purpose of this study, social responsibility can be measured using metrics such as charitable responsibility and moral responsibility.

Some related studies have been conducted on business ethics and social responsibility in Nigeria and other countries of the world, but no studies have been done on business ethics and social responsibility of Textile Manufacturing firms in Port Harcourt. It therefore implies that there is a gap in literature, being what this study stands to fill.

### **Statement of the Problem**

Many organizations in Rivers State and particularly, Port Harcourt have focused so much on their economic mission of providing goods and services and almost forgotten their social and ethical responsibilities towards their internal and external stakeholders. The Textile Manufacturing firms are not left out in the list. One of the tenets is that businesses have a social and ethical duty in addition to their economic mission of making money for their owners or shareholders (Carroll, 2017). Although a company's economic duties are to deliver goods and services that society needs and desires at a cost that would allow the firm to remain open while also fulfilling its commitments to investors, a company's ethical obligations are the deeds or behaviours that society and other stakeholders,

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including employees, demand of businesses (Ferrell & Fraedrich, 2019). Howbeit, it is believed that when organizations hold onto their business ethics or ethics where social responsibility is documented among others, they tend to keep up with social responsibility. This implies that the presence and sacrosanct perception of business ethics by an organization such as a Textile Manufacturing firm can be the panacea for the loss of interest in social responsibility.

Another issue that triggered this study is the complete dearth or inadequacy of empirical data that bother on the relationship between business ethics and social responsibility of Textile Manufacturing firms in Port Harcourt. For the records, Adda et al. (2016) investigated the impact of business ethics on corporate social responsibility for business success and growth of the Maastricht School of Management (MSM); Oluwafisoye and Akande (2013) ascertained the relationship between business ethics and corporate social responsibility of Nigeria Breweries Akure; Sroka and Szántó (2018) investigated the impact of corporate social responsibility on business ethics in controversial sectors in Poland and Hungary (Analysis of research results). From the above studies, it is crystal clear that similar studies were conducted on the subject matter, but none was neither carried out in Textile Manufacturing firms nor in Port Harcourt. It therefore implies that the study of business ethics and social responsibility of Textile Manufacturing firms in Port Harcourt has not received adequate research attention. This is the knowledge that this study seeks to fill.

### Conceptual Framework

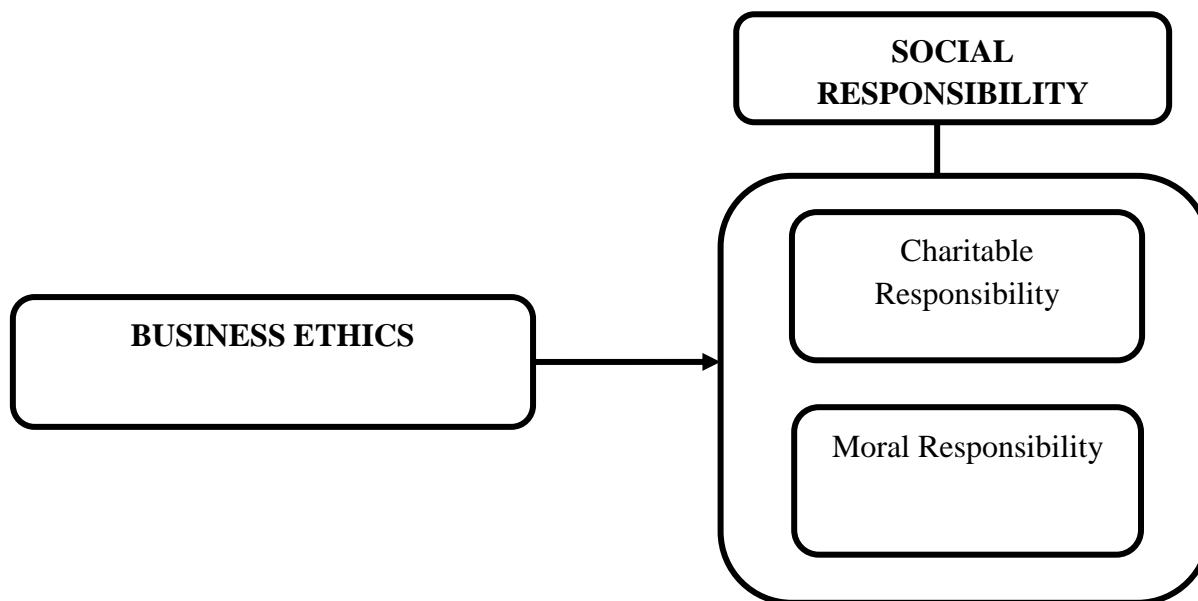


Fig. 1.1: Conceptual framework showing relationship between business ethics and social responsibility.

Source: Desk Research, 2023.

### Aim and Objectives of the Study

The aim of the study was to examine the relationship between business ethics and social responsibility of Textile Manufacturing Firms in Port Harcourt. The study specifically sought to:

1. ascertain the relationship between business ethics and charitable responsibility of Textile Manufacturing Firms in Port Harcourt.
2. investigate the relationship between business ethics and moral responsibility of Textile Manufacturing Firms in Port Harcourt.

### Research Hypotheses

Based on the above objectives, the researcher formulated the below research hypotheses:

Ho<sub>1</sub>: Business ethics have no significant relationship with charitable responsibility of Textile Manufacturing Firms in Port Harcourt.

Ho<sub>2</sub>: Business ethics have no significant relationship with moral responsibility of Textile Manufacturing Firms in Port Harcourt.

### Literature Review

### Theoretical Framework

The study was cemented on Stakeholder theory. The stakeholder theory was propounded by Edward Freeman in 1948. The theory states that business firms owe responsibility to broad range of stakeholders, other than just shareholders. "Stakeholders" refers to all parties who effect or are affected by corporate actions. It includes employees, suppliers, customers, government, investors, community and environment (Asieh et al., 2016). The major assumption of the theory is that;

- i. business firms owe corporate accountability towards broad range of stakeholders' interest.

The theory considers a firm as an interconnected web of different interests. The profounder recognized this theory as one of the strategies in improving the management of firms' social responsible behaviour. The basis for adopting this theory in this study is that it reveals that firms such as Textile Manufacturing firms as corporations, have responsibilities to a wider group of stakeholders. Firms' corporate social responsibility programs are anticipated to create development within its host community overtime. Textile Manufacturing firms could come up with a scholarship scheme for the host community; it could make available pipe-borne water; it could go into sanitation. It can partner with the government or other corporate entities to launch one form of social responsibility or the other. Amongst other advantages, this will be an avenue to advertise their business, thereby boosting their patronage and Return on Investment (ROI).

### Concept of Business Ethics

A foundational element of many successful companies is business ethics. When it comes to what is right and wrong, a person's or a group of people's behavior is governed by codes of values and business ethics called ethics (Levine, 2011; Sexty, 2014). Ethics therefore establishes guidelines for what is morally right or wrong in organizational behavior and decision-making (Sexty, 2011). It addresses internal values that make up corporate culture and influences choices regarding social responsibility in light of the surrounding environment. Ethics and values are not the same thing (Mitchell, 2016). While values are the internal judgments that determine how an individual simply behaves, ethics is concerned with how a moral individual ought to act. When they relate to convictions about what is right and wrong, values involve ethics.

Being ethical in a professional setting entails acting honestly and fairly in interactions with clients and colleagues (Daft, 2015). Corporate ethics, another name for business ethics, is a subset of applied ethics or professional ethics that looks at moral dilemmas that arise in the workplace (Stanwick & Stanwick, 2009). It is a catch-all phrase that refers to all ethical concerns that arise when conducting business. Business ethics are the principles, guidelines, and/or codes that provide direction for morally appropriate behavior in managerial choices pertaining to the company's operations and its relationships with the public (Sexty, 2014). It is relevant to the behavior of individuals as well as the overall company and is applicable to all facets of business behavior (Mitchell, 2016). Business ethics also refers to the conduct a company upholds in its everyday interactions with its stakeholders, such as its workers, clients, suppliers, local community, and society at large (Dombin, 2012).

An organization's ability to develop depends on having a strong code of ethics that serves as a guide for management and employees alike (Stevens et al., 2015). The justification for ethics as a good practice is that ethical contexts will foster an environment that will help ethical human resource practices emerge (Buckley et al., 2013). A shared value system that controls, modifies, and guides behavior at work is the end product. The following are some benefits of ethical behavior in company (Mitchell, 2016):

- i. Optimistic work environment: Workers have a duty to uphold ethics. They must be open and honest about their skills and background. Instead of being seen as individuals, ethical workers are seen as team players. They form wholesome bonds with their colleagues. Their superiors have faith in them with sensitive information.
- ii. Avoid legal problems: A company's management may be tempted to make compromises in the name of profit, such as not completely adhering to environmental or labor laws, ignoring risks to worker safety, or using inferior materials in their products. If caught, there could be serious repercussions, such as court costs, fines, or penalties from governmental organizations. The long-term reputational harm that results can even be more expensive than the associated legal costs or fines to the business.
- iii. Build customer loyalty: One of the essential ingredients for long-term company success is a loyal customer base. Customers won't be repeat customers if they feel they have been handled unfairly, such as by being overcharged. Additionally, a business's character for ethical conduct can aid it in developing a more positive brand in the marketplace, which can attract new clients via word-of-mouth recommendations. A notoriety for unethical behavior, on the other hand, harms a business's ability to attract new clients. Disgruntled customers have the ability to rapidly spread information about their negative interactions with the business.
- iv. Keep good employees: At all levels of an organisation, talented individuals want to get just compensation for their toil and devotion. The most gifted individuals are more likely to stay with companies that treat them fairly and honestly.

### Concept of Social Responsibility

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Social responsibility is a broad concept that, based on how perceptive a company is, can take many different forms. This is due to the fact that companies are typically founded for various reasons. However, the Port Harcourt textile industry's participation in corporate social responsibility activities speaks more favorably of them and gloats about the support the community has for the company. This could be predicted on the basis that they stand to solve a specific societal problem, impacting positively to the society and the environment, instead of contributing negatively to them.

It is important to remember that social responsibility can also be referred to as corporate social responsibility in the context of this research. Social responsibility, on the other hand, refers to an organization's responsibilities to society in terms of economic, environmental, legal, ethical, and discretionary expectations. As a result, social responsibility encompasses organisational decisions and practises that take into account stakeholders' expectations and the triple bottom line of success in terms of the economy, society, and the environment (Aguinis & Glavas, 2012).

Social responsibility, according to Mullerat (2010), is a self-policing business strategy that aids a company in being socially accountable to itself, its stakeholders, and the general public. Companies can be aware of their effect on the economic, social, and environmental aspects of society by engaging in corporate social responsibility, also known as corporate citizenship. Social responsibility initiatives can boost morale, help both employees and employers feel more connected to the world around them, and help create a stronger connection between the organization and host community, employees and corporations. A business must first be accountable to itself and its shareholders before it can be socially responsible. Businesses that engage in social responsibility initiatives frequently expand to the point where they can support their community. Therefore, corporate social responsibility is mainly a strategy for big businesses. Additionally, the more effective and well-known a company is, the more obligation it has to set an example of moral conduct for the benefit of its associates, rivals, and sector.

Social responsibility is a type of international private company self-regulation that seeks to support charitable, activist, or philanthropic social goals by participating in or encouraging volunteer work or other morally upstanding behaviors. It transgressed the boundaries of management theory, which calls for businesses to incorporate social and environmental concerns into their daily operations and relationships with stakeholders. Social responsibility is typically understood as the process by which an organization strikes an equilibrium between economic, environmental, and social imperatives while also meeting the expectations of shareholders and stakeholders (Wikipedia, 2021). For more emphasis on social responsibility, the study further expresses it in terms of charitable responsibility and morale responsibility.

**Charitable Responsibility:** Doukakis et al. (2015) contend that an organization's charitable responsibility extends beyond simply making charitable donations and includes making large-scale charitable contributions to deserving causes. Rich people occasionally create private foundations to support their charitable endeavors. Charitable responsibility also includes an effort an individual or organization undertakes based on an altruistic desire to improve human welfare. The most common manifestation of charitable responsibility is financial support, but it can also take the shape of donated time and materials. As a result, it entails making an attempt to influence social change. It is not just charitable contributions that can be used for a variety of direct-giving situations, such as feeding the homeless or providing disaster relief. Charitable responsibility, according to Zheng et al. (2015), means addressing homelessness permanently rather than just temporarily. Many businesses merely make financial contributions to causes that aim to affect societal change. They might or might not attach their name to the cause and claim ownership of the resources donated. This type of giving frequently takes place with no direct participation other than the money provided.

Charitable responsibility aimed to actively improve society and the globe. Organizations motivated by charitable responsibility frequently donate a part of their profits in addition to acting as morally and environmentally responsible as they can. While many businesses support organizations and charities that share their guiding principles, others support deserving causes unrelated to their line of work (Granovetta, 2018).

The term "charitable responsibility" in the context of this research refers to all charitable and community development projects that textile manufacturing companies undertake to raise the standard of living in the communities where they operate. Profitable companies are expected to give voluntarily to charitable organizations that support the local communities where they work. Corporate behavior that satisfies society's demand that companies behave responsibly as members of society is known as charitable responsibility. As previously stated, charitable acts such as giving to causes that benefit the community frequently include things like financial and non-financial support for initiatives in a range of fields, such as scholastic and health programs. (Timothy & Eric, 2020).

Furthermore, Epstein (2011) argues that corporate social responsibility extends beyond direct donations and includes encouraging employees and clients to participate in charity endeavors through a variety of partnerships. In other words, it entails encouraging and promoting charitable activities by taking part in initiatives created by businesses or those in which they have collaborated with third

parties. One of many instances in the field of hospitality is how airlines encourage travelers to donate any extra foreign currency on flights in order to support the welfare of children and UNICEF's Change for Good (CFG) program.

According to Shahzad et al. (2016), all types of corporate giving fall under the category of charitable obligation. Thus, it includes any optional or discretionary business tasks. Although it may not be a responsibility in the strictest sense, consumers today routinely expect companies to fulfill this obligation. These activities are undoubtedly voluntary or discretionary in terms of both their scope and character. Business's desire to take part in social activities that are not mandated by law, not required by law, and are not usually expected of business in an ethical sense serves as their main source of inspiration.

**Moral Responsibility:** Moral responsibility is also referred to as ethical responsibility. The word "Ethos" in Greek, which also means a person's character and a community's culture, is where the idea of ethics originates. Business ethics are generally thought to involve upholding moral principles like truth, fairness, honesty, and respect as well as legal, professional, regulatory, and organizational standards (Anand, 2012). Ethics is compliance with the unenforceable, according to the Institute of Global Ethics. It is a well-known fact that ethics is a complex subject where there is no single, accepted code of conduct for business and where what is right and wrong frequently depends on the situation. Change has become unavoidable due to worldwide competition and rapidly advancing technology. As more people become aware of this, their perspectives on the best ways to persuade businesses and their workers to act ethically have changed. Initial strategies largely relied on "compliance," the development of regulations and procedures that individuals and organizations had to adhere to. Rules, however, are difficult to create and can rapidly become outdated, whereas systems can ensnare people in red tape and reduce productivity in the workplace. This has given rise to the idea that, even though some degree of compliance will always be required, it is more crucial to instill ethical "values" in the corporate structure and the employees who hinder it. Businesses must have a clear understanding of their *raison d'être*, which should be held by all employees, in order to accomplish this. Additionally, they must have held similar views on what constituted proper conduct (Biggs et al., 2014).

According to Chakraborty (2019), the term "moral responsibility" alludes to the idea that both people and groups have morally-based obligations and duties to one another as well as to more general ethical and moral codes, standards, and traditions as well as business ethics. A firm or individual should and should not behave in a certain way according to ethical business ethics, which are universal standards of right and wrong. These business ethics serve as a guide for decision-making, but they also set the standards by which others will evaluate your choices (Davis, 2015). Since confidence and credibility are built on people's perceptions of your character, it is essential to that perception for long-term success in business. These two valuable commodities are susceptible to destruction by actions that are, or are thought to be, unethical. Therefore, successful executives need to care about both their image and character.

According to Fombrun (2015), moral obligations represent the company's view of ethical and appropriate business conduct. These are duties that go above and beyond what is required by law. While not mandatory, businesses are expected to act ethically. Some legal activities may frequently be regarded as unethical. For instance, it is acceptable to manufacture and sell tobacco. However, given the negative effects of smoking, some individuals might consider the selling of cigarettes to be unethical. The capacity to recognize, understand, and act on a variety of values and business ethics in accordance with the standards within a particular context and/or profession are known as ethical responsibilities (Edwin, 2017).

### Methodology

The study employed the use of the exploratory survey research design. The study population involved nineteen (17) registered Textile Production Companies operating in Port Harcourt, Rivers State. Since the population was not much for the researcher to deal with, the entire population therefore became the sample size. This implies that census sampling technique was employed. Concerning the respondents, the researcher picked four (4) top managers (General Manager, Operations Manager, Human Resource Manager, and Customer Relations Manager) from each of the companies. It therefore became that 68 (i.e 17\*4) became the number of respondents.

The instrument for primary data was titled "Business ethics and Social responsibility Index (PBSRI). The design of the questionnaire was a four (4) point rating scale format with the following response options: Very Great Extent (4), Great Extent (3), Moderate Extent (2), and Low Extent (1). The instrument was face and content validated by the researcher's supervisor and two research experts in the Management Department of Ignatius Ajuru University of Education, Port Harcourt, Rivers State. Cronbach's alpha via SPSS (Statistical Package for the Social Sciences) was used to ascertain the reliability of the instrument. The least Cronbach's alpha level obtained was 0.77 which indicated a highly reliable coefficient. Based on Nunnally (1978) criterion of 0.70, reliability coefficient above 0.70 was considered as indicating good or reliable instruments.

A total of sixty-eight (68) copies of the questionnaire were distributed to the targeted respondents. Eventually, and the researcher was able to retrieve 63 copies of the questionnaire correctly filled. In handling the data analysis, the test of hypotheses was done using Spearman’s Rank Order Correlation Coefficient via the Statistical Package for Social Sciences (SPSS) version 20.0. The Spearman’s (rho) correlation was used to analyze the relationship between independent and dependent variables at  $P < 0.05$  (two-tailed test). The formula is presented below:

$$r = 1 - \frac{6\sum d^2}{n(n^2 - 1)}$$

Where:

$\sum$  = Summation.

n = number of pairs of data

d = difference between the ranking in each set of data.

Decision Rule: The tests of hypotheses were considered two tailed and was carried out at a 95% confidence interval.

### Analysis & Discussion

Ho<sub>1</sub>: Business ethics have no significant relationship with charitable responsibility of Textile Manufacturing Firms in Port Harcourt.

**Table 1: Correlation between Principle and Charitable Responsibility**

			Flexible Work Schedule	Productivity
Spearman's rho	Flexible Work Schedule	Correlation Coefficient	1.000	0.737**
		Sig. (2-tailed)	.	.000
		N	63	63
	Productivity	Correlation Coefficient	0.737**	1.000
		Sig. (2-tailed)	.000	.
		N	63	63

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

Source: SPSS Output

The r value of 0.737 in column two of table 1 above, at a significance level of 0.00, is less than the alpha level of 0.05 specified for the hypothesis linking principle and charitable responsibility. The null hypothesis (Ho<sub>1</sub>), which asserts that business ethics have no significant relationship with charitable responsibility of Textile Manufacturing Firms in Port Harcourt, was rejected since the significance value is less than the alpha level of 0.05. This suggests that business ethics and the charitable responsibility of textile manufacturing firms in Port Harcourt are strongly positively correlated.

Ho<sub>2</sub>: Business ethics have no significant relationship with moral responsibility of Textile Manufacturing Firms in Port Harcourt.

**Table 2: Correlation between Business ethics and Moral Responsibility**

			Flexible Work Schedule	Profitability
Spearman's rho	Flexible Work Schedule	Correlation Coefficient	1.000	0.669**
		Sig. (2-tailed)	.	.000
		N	63	63
	Profitability	Correlation Coefficient	0.669**	1.000
		Sig. (2-tailed)	.000	.
		N	63	63

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

Source: SPSS Output

Column two of table 2 above shows r value of 0.669 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating business ethics and moral responsibility. Since the significance value is less than the alpha level of 0.05, the null hypothesis ( $H_0$ ) which states that business ethics have no significant relationship with moral responsibility of Textile Manufacturing Firms in Port Harcourt was rejected. This implies that business ethics have a strong positive relationship with moral responsibility of Textile Manufacturing Firms in Port Harcourt.

The findings from the above two tables imply that the presence and sacrosanct perception of business ethics by an organization such as a Textile Manufacturing firm contributes strongly to their social responsibility.

### **Findings**

From the empirical analysis above, the following were found:

1. Business ethics and the charitable responsibility of textile manufacturing firms in Port Harcourt are strongly positively correlated.
2. Business ethics have a strong positive relationship with moral responsibility of Textile Manufacturing Firms in Port Harcourt.

The tests of hypotheses one to two showed that the presence and sacrosanct perception of business ethics by an organization such as a Textile Manufacturing firm contributes strongly to their social responsibility. The finding further showed that textile manufacturing companies and other organizations that imbibe their ethics with great honour will try to follow everything written therein to the latter, which includes business social responsibilities such as moral responsibility, charitable responsibility, etc. The idea of social responsibility holds that a company must be concerned with more than just earnings (Murphy, 2014; Freeman, 2011; Freeman, 2012; Freeman & William, 2015). One element of social responsibility in business is protecting the environment; another is attempting to handle social issues like poverty and hunger (Werhane, 2014). A company's ethical standards—how it treats its various stakeholders, including suppliers, employees, and clients—are another way that it demonstrates its sense of societal responsibility (Murphy, 2012). Customers might decide not to work with businesses that have a bad image for being socially responsible (Walton, 2016). On the other hand, companies that demonstrate a dedication to the community and the environment can draw clients who hold these values in high regard (Murphy & Lacznik, 2007). The company's charitable activities contribute to the perceived worth of its goods and services and may raise client satisfaction (O'Neill, 2013). These pleased clients are apt to keep doing business with the company (McWilliams & Siegel, 2001). Consequently, a stable, loyal customer base is a valuable asset (Patterson et al., 2017).

When ethical failings are revealed in traditional or social media, such as by disregarding environmental regulations or standards for how employees should be treated, businesses may experience reputational harm (Nielsen, 2016). Rebuilding a company's troubled image into one of stability — sometimes referred to as damage control — can take time and divert managerial resources from the crucial duties of growing the business. A company's reputation affects its relationships with all of its stakeholders (Velentzas & Broni, 2010). It can be challenging to retain customers who depart because they disapprove of the brand image of the business (Sharma & Talwar, 2015). Companies that operate ethically and socially responsibly can avoid the expense of litigation and other issues that might have a negative impact on the company's financial position (Petrick & Quinn, 2010). The desire for more ethical business practices and behaviors is rising (also referred to as "ethicism") (Donaldson, 1982). At the same time, new public initiatives and regulations are put on the industry to raise business ethics. Businesses frequently engage in unethical behavior in order to make short-term profits (Sunstein, 2002), but these actions eventually damage the economy (Velasquez, 2008).

Anyone engaged in the business world is aware that acting morally and generating the greatest profit are not always mutually exclusive. But that does not preclude you from pursuing and achieving outstanding financial success while concentrating on corporate responsibility and moral business conduct.

First, customers and business partners today are concerned with corporate accountability and ethics, and they are increasingly choosing to do business with organizations that uphold these values. Customers want to work with or purchase from companies that are consistent with their personal values, even though price is still the primary factor in purchasing decisions. How and where people choose to purchase, sell, consume, and transact is increasingly influenced by the emergence of ethical consumerism.

It is possible that a company's single emphasis on financial profitability undermines business responsibility and ethics. Sometimes, doing what is best for the bottom line financially can lead you away from what is best for people or the environment. Even if you are solely focused on increasing profits, eventually customers, clients, and other stakeholders may become aware of this and cease supporting your company.



Businesses that uphold moral and social standards can cut expenses while concentrating on sustainability. These strategies may necessitate immediate investments that have a negative effect on profitability, but they protect future profits. Finally, value-based leaders are more likely to be committed to their workforce's requirements, investing in work-life balance programs like flexible scheduling, health and wellness initiatives, and flexible work hours. Increased productivity and employee engagement result from this servant leadership strategy, which also increases cost reductions and boosts output. This results in greater profits.

The pyramid that is based purely on financial profitability is no longer comprised of ethics, values, and corporate social responsibility. For the future of businesses, they are just as crucial as economic stability, especially in light of ethical consumerism and corporate responsibility in the public sphere. Businesses and other entities, like textile manufacturing companies, cannot afford to disregard them.

### **Conclusion**

Exploitation should be prohibited by business ethics, which will promote corporate social duty. Everything from a neighborhood kiosk to a global corporation can benefit from applying business principles. In the end, it might fall to the general public to ensure that a firm follows the right business ethics. The research comes to the conclusion that social responsibility, particularly in terms of moral responsibility and charitable responsibility, is strongly promoted by the application of business ethics to business operations. Social responsibility and business ethics are crucial for the development and prosperity of organizations. They believe that business ethics promote good relations with clients, employees, and the community in general. Additionally, they see advantages for socially responsible businesses in improved company image and reputation, increased customer loyalty, and a strong and healthy community. Because these variables are crucial to their survival and competitiveness, it is crucial that textile manufacturing companies and other businesses in the corporate world pay attention to them.

### **Recommendations**

Based on the findings, the following recommendations were made:

1. Organizations such as textile manufacturing companies should abide by their code of conduct which encourages social responsibility that will spur them towards charitable deeds in their host community.
2. Organizations should incorporate a social responsibility perspective within their business ethics, hence promoting moral responsibility, charitable responsibility and as well as profitability.
3. Management should endeavour to ensure that they adhere to ethical practices and comply to standards in their dealings with internal and external stakeholders, as this will promote social responsibility that will in turn increase repeat patronage and customer base.

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