

Ethical Governance as Panacea for Corporate Insecurity in Nigeria

By

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Being a paper presentation at the workshop on SECURITY EXECUTIVES AND CSO'S CONVERGE 2019 held at Sheraton Hotels Ikeja, Lagos State, October 21-24, 2019.

Introduction

Every organization irrespective of its nature requires high and reasonable level of security for survival. Both private and public sectors are conscious of the need for effective and reliable sources of security, although, such level of consciousness may vary in degree or magnitude, but essentially the duo are usually equipped with security needs. Importantly, the survival of any organization depends greatly on its ability to continuously provide services with little or no security threats. Apparently, this can be assured via the practice of ethical governance. This is because ethical governance serves as antidote to all evils including corporate insecurity.

Globally, there have been rising cases of corporate insecurity manifesting in cyber crimes and attack, natural disasters, intellectual property theft cases and so on. Each year, more than \$600 billion is lost due to cyber crime. In 2016, there were over 4,000 ransom ware attacks on a daily basis in the United States alone (Picincu, 2018). This ugly phenomenon has made corporate security and ethical governance a priority in the business world. Although, many small businesses still overlook or ignore corporate security but the big organization have continued to invest immensely in the latest security equipment. No nation or organization is completely free from corporate insecurity, hence the need to subdue it.

In Nigeria, after a long experience of military rule, civilian came on board in 1999 with high expectations for peace and progress in the living condition of Nigerians. Regrettably, democracy has failed to usher in good governance. Rather than bring the expected democracy dividends, it has been insecurity, poverty, economic crisis and social problems. Insecurity in terms of loss of lives, property, collapse of companies, robbery, loss of job, bankruptcy and series of violence have become key features of Nigeria, and unwarranted gifts for Nigerians (Ibrahim, 2013). This ugly incidence is not unconnected with dearth of ethical governance in Nigeria.

As noted by UNDP (2001) there is a greater awareness of the need for ethics, accountability and transparency in public life. This assertion is a pointer to the fact that ethical governance underpins sustainable security. The implication of this is that lack of ethical governance is more likely to bring about insecurity in business and government transactions which in turn could discourage both local and foreign

entrepreneur from investing in the country. Based on the foregoing, this discussion becomes imperatives as it stands to address the exigent need for ethical governance as panacea for corporate insecurity in Nigeria.

Conceptual Explanation

In order to further understand and gain a deeper knowledge of this discussion, some identified terms have been selected for explanation as used in the paper. These are; Ethics, Governance, Security, Insecurity and Ethical Governance.

(a) Ethics

Ethics can be interpreted in terms of normative and descriptive approaches. The descriptive approach centers on people's moral beliefs, while normative ethics refer to theories that prescribe how people ought to act in order to be ethical and virtuous; as well as achieve ethical outcomes or fulfill one's duty by obeying common ethical rules and regulations (Snellman, 2015). Normative ethics focuses on standards of the rightness and wrongness of behaviour and is based on laws, regulations and principles.

(b) Governance

Governance as a concept has generated controversy among scholars. This is because governance is a victim of definitional pluralism. It is not amenable to easy definition. But for the purpose of this study, governance is defined as the management of society by the people, or as the exercise of authority to manage a country's affairs and resources (Simonis, 2004).

Governance can be good or bad. But this paper is interested in good governance. Good governance implies a participative manner of governing that functions in a responsible, accountable and transparent manner based on the principles of efficiency, legitimacy and consensus for the purpose of promoting the right of individual citizens and the public interest, thus indicating the exercise of political will for ensuring the material welfare of society and sustainable development with social justice (Mukhtar, etal, 2017 as cited in UNESCO, 2006).

(c) Security

There is no uniform definition of security. But for the purpose of this discussion, security is perceived as the presence or existence of contentment, feeling of safety, fortification from harm outside and exposure to danger within an environment. It entails improvement in the socio-economic, health, environmental and physical conditions of the people, protecting the dominant values, ideology and way of life of the state from threats and forestalling any form of socio-economic, political and religious assault on the state (Mukhtar etal, 2016).

Security can be classified as State security, National security, International security, Economic and Political security, food security, Corporate security etc. But for the purpose of this exercise, corporate security appears more relevant than others. Therefore, corporate security is designed to protect organizations, their technologies, employees, technical resources and customer data from internal and external threats. Its ultimate goal is to ensure the proper functioning of organization and mitigate risks. Both private and public organizations need security to protect their tangible and intangible assets.

(c) Insecurity

This can easily be defined as the threat to security. It is a condition that is capable of undermining internal cohesion and corporate existence of the organization or nation. For the purpose of this study, **corporate insecurity** could be seen as a threat to the existence of organizations, their technologies, employees, resources and customer data. It implies exposure of corporate organizations to dangers of the environment.

(d) Ethical Governance

Having understood the concepts of ethics and governance, it becomes imperative to also understand ethical governance as a concept. Although, ethical governance will be captured in the latter session of the paper, but there is a need to give a brief definition as a prelude to latter discussion. Machanzi (2008) opines that ethical governance is concerned about the standards of conduct of all holders of public office, including arrangements in relation to financial and commercial activities. It is the right and justified conduct of activities of an organization or government to serve larger public

interest. Ethical governance is also known as Ethical Corporate Governance – It refers to the processes and policies that a company has in place to deal with issue concerning how it is administered and conducts day to day business. It is important to remember that companies exist primarily to create a product or service, which is used to generate profit. However that intention must be balanced with controls that ensure a company pursues profit without crossing over the line into the realms of unethical behavior so as to avoid corporate insecurity.

Theoretical Framework

Based on the nature and direction of the paper, the discussion will be situated within the ambit of good governance theory. This is because good governance theory establishes the rule of law, enforces contracts and agreements between the individuals, maintains law and order and guarantees security to the people, and organizations, economies on cost and resources protects the environment and properly deliver services to society.

Good governance includes the capacity of organizations and government to design, formulate and implement policies which are development oriented and committed to improvement of quality of life and standard. It is also the capacity of the government and corporate organizations to cope with emerging challenges of the society (Sharmal et al, 2011).

The concept of good governance theory places emphasis on adherence to principles of accountability, transparency, participation, rule of law, responsiveness, efficiency, effectiveness and regulations (World Bank, 2002). Invariably, good performance and outcomes are derived from these principles. The model stresses the motion that the absence of or partial existence of the stated principles in any given environment encourages poor outcome (insecurity).

Good governance exists in those economies where organizations and government have the capacity to formulate, implement and manage resources efficiently.

Fundamentally, good governance exists where there is respect for the rules and norms of transaction and in which activities are unimpeded by insecurity and other activities inconsistent with public trust. Good governance is necessary in order to enhance the capacity of organizations and entities to deliver on their mandate, and improve corporate security through the practice of ethical governance.

Elements of Ethical Governance

Ethical governance has the following characteristics

- **Transparency:** - Every office holder is expected to be accountable for the decision he/she makes, and be prepared to justify his/her action. In a business or governance context, it is referred to as honesty and openness.
- **Integrity:** - Holder of office is expected to make decision and act solely in the public interest, without consideration of their private interest. It has to do with probity and doing what is right, having strong moral principles.
- **Fairness:** - Decision should be made and act in a fair and equitable manner without bias or prejudice, taking into account only the merits of the matter, and respecting the right of affected citizens.
- **Efficiency and Effectiveness:** - Being effective is about doing the right things, while being efficient is about doing things right. efficiency focuses on the process or means where as effectiveness on the end.
- **Responsibility:** - There is need for all officers to be alive to his/her schedule of duties. Tasks are obligatory therefore it ought to be performed diligently.
- **Participation:** - Both junior and senior officers must be genuinely involved in the activities of the organization to enable the organisation realize its fundamental objectives and goals as this will also facilitate team spirit and cohesion among the workers.
- **Accountability:** - Reason must be given for official decisions. The acknowledgement and assumption of responsibility for action follow through and getting done what you said you will get done, thereby other team members are dependent on the results of your work.

When all these features are conspicuously displayed and practiced in an organization, such organization is obviously expected to enjoy maximum security as the former will continue to serve as drivers of actions and activities in the organization. However, the absence of ethical governance features portends danger and imminent insecurity. It is therefore expected that every organization aspiring to achieve maximum level of security must as a matter of necessity embrace these features and key in to their practical applicability.

The Impact of Ethical Governance on Corporate Insecurity

1. Ethical governance sets standard for organization behavior, which helps in securing corporate organizations. It also sets standard for employees' performance. Expectation for each major duty, plus the results that are expected for satisfactory job performance are effectively designed and implemented for the purpose of averting dangers or threats.
2. Ethical governance ensures adherence to rules and regulation. Ethical governance ensures that managers have an obligation to enforce policies and procedures as set out and employees are expected to adhere to those policies in order to avoid unnecessary threat to the organization.
3. Exposing potential threats to organization. Ethical governance is capable of exposing potential threats to the organization. It prevents damaging behaviour such as fraud, personal enrichment and other vices capable of endangering the organization.
4. Ensuring stability and continuity- Ethical governance ensures that company's financial, human resources and production reached a threshold of steady growth in terms of bottom line, employee assessment and development.
5. Protection of code of conduct in an organization. Operations in any organization are guided by ethics that stipulate the way and manner of doing things in any organization. These stipulated rules are guarded by ethical governance. Any organization that adheres to ethical practices will enjoy greater output and maximum security.

6. Prevention of waste of resources. When there is ethical governance, organization resources are effectively utilized for maximum output.
7. Promotion of moral values- Ethical governance promotes moral values such as integrity, determination, loyalty, truthfulness, honesty and hard work.

Challenges of Ethical Governance in Nigeria

1. Corruption. Corruption has continued to serve as bane of ethical governance in Nigeria. Corrupt practices are common to both public and private sector in Nigeria, although, more pronounced in public sector organizations. Ethical governance can neither grow nor thrive where there is incessant corruption. Most of security lapses recorded in various organizations is traceable to corruption.
2. Environmental and cultural influences. Cultural influences tend to impede the application of ethical governance principles in our various organizations. Managers, Director Generals, Directors, Chairmen, Commissioners, Ministers, Governors etc, find it difficult to carry out their legitimate duties without the influence of families, friends and associates.
3. Absence of Rule of Law. Adherence to rule of law is not always achievable in Nigeria. The level of impunity is so high, particularly, among the top ranking officers, captain of industries, politicians etc. when the rules are not strictly followed or obeyed, ethical governance becomes a runaway horse. And consequently, corporate insecurity becomes apparent.
4. Inadequate capacity of an organization to provide basic needs of its employees. When organization is incapable of providing the fundamental basic needs of the employees, such organization becomes vulnerable to security threats.
5. Unethical relationship between boss and subordinates can also breeds unethical behavior capable of truncating ethical governance in a work place.

Ensuring Ethical Governance as an antidote to corporate insecurity

1. A culture of trust must be built on a corporate framework of ethical principle which is transparency/openness, competence, integrity and benevolence.
2. Achieving goal set by the organization through unethical mean may set a bad precedent for others to follow and this may act as a justification for other unethical acts. Therefore, goals must be pursued via ethical mean and process.
3. Audit system and committee should be put in place to regulate activities.
4. Reward system. Rewards for hardworking people must be encouraged and promoted.
5. Recruitment must be based on merit to encouraged performance.
6. Decisions must be based on ethic and propriety.
7. Creating security policy- such as developing fraud prevention strategies, managing physical hardware, controlling identity pass access and implementing security awareness programs for the staff.
8. Strict and genuine code of conduct with appropriate penal code/sanction.
9. Provision of proper condition of service viz, healthy home and office environment, adequate salary and alluring pension benefits.
10. Sustained surveillance- The proactive measure, integrated surveillance operations and the deployment of highly trained and responsible security operation.
11. Enlightenment campaign about the ills of unethical behaviour as a mean of achieving good ethical governance from time to time.

Conclusion,

Absence of ethical governance is a real threat to the future of every organization, companies and institutions cannot survive without effective ethical governance because it enhances stability and growth of every organization. And any organization that fails to promote ethical governance is prone to corporate insecurity.

THANK YOU FOR LISTENING.

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