

ELEVEN

Corporate Citizenship and Professional Ethics

Business organisations worldwide have always recognised the fact that their success is dependent on how positively they can influence the lives of the people within their operational environment. In other words, if companies began to behave more like socially responsible human beings and less like commercial organisms concerned only with posting sky-bound profits, they might attract more customers and in the process achieve their overall corporate objectives. Business is therefore not an end in itself but a means to an end.

Corporate Citizenship/Corporate Social Responsibility (CSR)

Corporate Citizenship, or Corporate Social Responsibility (CSR) and Community Relations are variations of the same concept. The difference is only in relation to its expansiveness or otherwise. Sometimes the word "social" tends to narrow the comprehensiveness of corporate citizenship as it also has great implications for politics and economics. For, businesses are not only concerned with social responsibility, but are confronted with ethical, economic and political issues.

Just as public relations, corporate social responsibility is also called by many names such as *corporate social investment*, *stakeholder's capitalism*, *enlightened self-interest*, *corporate accountability and sustainable development*, among several others. However, because of the high level of acceptability and extensive research on corporate social responsibility as strategic business subject, it will be the reference name in this chapter. It may be pertinent to have three definitions of CSR, one of which is perspective, to focus the discussions that would follow. These are:

- (a) Corporate social responsibility refers to the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social (and environmental) benefits along with the traditional economic gains which the firm seeks (Davis, 1973:312).
- (b) Corporate social responsibility is the commitment of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for development (Yahaya, 2004:10).
- (c) Shell Company sees "Corporate Social Responsibility" as a way of conducting our business which we believe helps us to be more successful. It is not an add on extra but integral to our business. We believe setting the highest standards of behaviour, valuing the people who work in our organisation, and by making profits helps us to create a sustainable business which delivers value for our shareholders (Loader, 2004 :1).

Companies have had to monitor constantly the opinions of key publics to determine whether they favour, frown at, or understand the quality of their products, services, and ethical

standards. These activities are therefore the concerted effort business organisations make in order to identify with their host communities. Essentially, this is regarded as a public relations' strategy for building and sustaining the organisation's most valuable asset – its reputation. The new thinking in business circles is that there are reputational assets of great commercial value to be gained from good corporate behaviour. While not being commercial, it promotes the moral and ethical standing of a company to its customers and employees.

A strong image projects a company as reliable and trustworthy to do business with. Such company's products and services are heavily patronised as a result of the trust and appeal it gets from the public. It is, however, pertinent to point out that it is not only profit-oriented organisations that are interested in being socially responsible; public establishments, non-governmental organisations, non-profit groups and individuals are actively involved.

Corporate social responsibility is also about ethics, responsibility and leadership. This is because the organisation that wants to contribute to the development of its immediate community would necessarily have to be ethical and responsible in its operations. This is expected to be realised in terms of the business profile and style. Some of the qualities of a socially responsible company include:

- (a) A clear-cut objective of its business.
- (b) Creation of needed non-discriminatory employment policy for the local workforce (neighbours).
- (c) Conscious effort to ensure that the lives of people are not endangered through environmental pollution, noise and other dumping of industrial wastes.
- (d) Ensuring proper and adequate communication with the people on its philosophy and work programme.
- (e) The chief executive should personally attend local events to identify with the community thereby saying indirectly that "we are part of you."

- (f) Staff members of the company should participate actively in various community projects, clubs and associations for greater understanding on volunteer basis.
- (g) Show exemplary leadership in the community.
- (h) Make contributions to communal efforts.

In doing these, the company would be exhibiting its ability to transcend traditional thinking while embracing new opportunities for growth and development.

Furthermore, some scholars have researched into the issue of social reasonability and below is a presentation of some arguments for and against it. The deposition by Rachman and Romario (1973) is presented below as a guide to a better handling of this most sensitive public relations concern.

Corporate Social Responsibility

Extensive studies have been conducted by several scholars on corporate social responsibility (CRS) some of which saw it as being anti-capitalism and bad for stakeholder accountability as no company board has the right to expend money on social projects when its responsibility is to grow the company's profit. As far as this school of thought is concerned, individual shareholders, employees or any member of the group should be allowed to decide on what they would like to do with their resources.

Milton Friedman, economist and Nobel Laureate was a leading proponent of the fact that a business's primary responsibility was to maximise profits. According to him:

There is one and only one social responsibility of business: to use its resources and energy in activities designed to increase its profits so long as it stays within the rules of the game and engages in open and free competition, without deception and fraud.

Friedman contends that corporate officials are in no position to determine the relative urgency of social problems or the amount of organisational resources that should be committed to a given problem (Friedman, 1963: 133). He also insists that managers who devote corporate resources to pursue personal and perhaps misguided notions of the social good unfairly tax their shareholders, employees and customers. In short, businesses should produce goods and services efficiently and leave the solution of social problems to concerned individuals and government agencies.

As the two most important and influential institutions in the society, business and government, their sheer size obliges them to address problems of public concern. Both corporations and government depend upon acceptance by the society to which they belong.

Arguments Supporting CSR

They are the following:

- (a) Business has a stake in an improved society because a better society produces a better environment for business.
- (b) Business must respond to society's needs or society will take away its 'charter' to do business.
- (c) Unless business becomes more socially conscious, government will impose further regulations as agitation mounts.
- (d) Social responsibility opens up new opportunities for profit, and
- (e) Business has the management talent and should be given the opportunity to help society.

Arguments Against CSR

For corporate bodies to ignore social problems might in the long

run be destructive. In any case, if business does not amend its public image voluntarily, it will almost inevitably be forced to do so through increased government regulation in response to public agitation – Niger Delta is a case in point.

This is why some of them who are avid critics of CSR have begun to reconsider the entire concept based on the current realities and the benefits accruable to society. The statement below captures the mood:

It pains me to say this, but I am becoming less cynical about Corporate Social Responsibility. This is not because of the weight of words expended on this subject by companies, lobbyists, and politicians. It is because companies that are less exposed to social, environmental, ethical risks are more highly valued by the market... In other words, investors are already pricing in social, environmental, and ethical factors. This is not sentimental behaviour. It represents a cool appraisal of various costs.

– Jane Fuller, *Financial Times* (Kotler Philip and Lee Nancy 2005:17)

Given the present tempo of events and level of awareness being created on the imperative of CSR in Nigeria, it thus appear that business and government will continue to embrace an elevated, better coordinated and more pro-active CSR good practices to protect the environment, strike a balance between profit and responsibility and ensure peaceful coexistence between business and society.

Arguments against CSR are the following:

- (a) Assumption of responsibilities beyond those required by law detracts a business from its main function of making a profit for stockholders.
- (b) The cost of social involvement is too high for many firms, especially small ones, to assume e.g. construction of a road may gulp billions of naira.

- (c) Business people lack the skills to become socially involved.
- (d) Foreign firms that do not take on added social responsibility may gain a competitive advantage in price over firms that accept social involvement.
- (e) Business growth is already too demanding and should not be compounded by allowing social as well as economic influences; and
- (f) What purpose does government serve if they collect various taxes and levies from firms and expect them to take on additional responsibilities?

These arguments will continue to define, redefine and refine what properly constitutes CSR even as it becomes more central to business and governance particularly in developing economies. In recent times, several corporate bodies in Nigeria have heightened corporate social responsibility expectations through their activities of prospering their neighbours and generally increasing the well-being of the society. Such activities sometimes could arguably be qualified variants of CSR such as cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering and outright sales promotion. Some of the organisations involved include: MTN, Globacom, Celtel, Shell, Mobil, Unilever, Intercontinental Bank Plc and British American Tobacco Nigeria.

While noting all these developments and the heightened interest CSR is generating, the future points to a more rigorous, transparent and expanded roles for corporate bodies. In the new dispensation, corporate governance would be evaluated alongside CSR activities. It would no longer be sufficient to make occasional donations, institute foundations and generally implement beneficial community-based projects with the usual fanfare but the corporate culture, behaviour and attitude to a wide range of social concerns would be holistically considered to arrive at the

good and better corporations that could be trusted to lead business in future.

Sponsorship

There are many ways companies show concern about the communities where they operate. Some of these areas include sponsorship in sports, cultural events, exhibitions, education, charity, professional awards, foundations and provision of social amenities. Other activities of identifying with the host communities include provision of potable water, rural roads, educational buildings, scholarships, bursaries, endowment funds, town halls, plant tours, community leadership luncheons, open days, community newspapers, television viewing centres, slum and environmental clearance, and many more.

Sponsorship to date have been the main method of relating with host communities among various corporate bodies. This has been so for many years in the industrialised countries as it had been integrated with business. Many years ago, General Electric in Britain established what was known as Community Business Climate Improvement (CBCI) with the firm belief that *good industrial citizenship must go hand-in-hand with production end of the business*, such that community interest and that of business become mutual. Furthermore, management should not simply give the responsibility to a unit, say public relations, without showing enough interest and commitment. As the spokesperson for Rogers Corporation puts it:

We feel it is far better for management to be witnessed in action in community affairs than to escape such activity by means of an outright donation.... That way the people have much better testimony of our real interest in the community – they will forget the money, but they will never forget the General Manager taking time to work out a problem right along with them.

In Nigeria, sponsorship have become very strategic in corporate business particularly in the arena of sports for producers

of household consumables and foods and beverages. Oil companies, banks and multinationals have had to grapple with the more substantial and visible projects as a result of their financial outlay, opportunity and hazardous implication of their operations to the local inhabitants. For oil companies operation in coastal Nigeria, spillage and destruction of aquatic lives and crops are involved such that the people are incapable of doing what they know best – fish farming. They therefore have to be compensated as individuals and as communities at large.

Other examples of corporate citizenship not linked with compensation for induced hazards of the community include the Intercontinental Merchant Bank's support for free camp for fixing artificial limbs in Kano, Afribank's endowment of a chair at the University of Ibadan for Business Administration, African Petroleum's charity programmes, Savannah Bank's sponsorship of series of epic drama for public viewing over the years, WEMA Bank's sponsorship of All-Nigerian Lawn Tennis Championship, NITEL's interest in Golf and Squash Championships, Shell Petroleum's sponsorship of football at the secondary school level (known as Shell Cup), Nigeria Liquefied Natural Gas (NLNG) and Cadbury Nigeria's sponsorship of the literary arts, and so on. In fact, it is rare in Nigeria today for a corporate body not to be involved in one form of sponsorship or the other.

Community Relations

Public relations as a discipline deals with the various publics of an organisation. Community relations, often times referred to as social service responsibility of an organisation deals with its efforts at identifying with the needs of the communities in which it operates. Community relations, therefore, explores ways of helping the communities serving as hosts by providing assistance in specific areas to improve their social and economic well-being. There have been cases whereby the activities of an organisation resulted in damages to the environment or in loss of economic property like communal land and social life. In such instances,

the organisation runs the risk of antagonistic behaviour such as protests and outright sabotage of operations by the aggrieved community.

In the oil-producing areas of Nigeria, cases have been reported whereby communities resorted to violence as a result of neglect on the part of oil prospecting companies. Apart from neglect as reasons for violence against the oil companies, there had been cases of oil spillage in the areas, which destroyed both plant and animal life. In times like this, organisations involved ought to make strenuous efforts to reduce the hardship caused by accidents through evacuation and setting up massive clean-up exercises as well as paying compensation to the affected persons.

Since drilling affects the ecosystem of the oil-producing areas, oil prospecting companies make it a duty to look after the welfare of the communities through provision of drinking water, building of roads, clinics, schools, recreational facilities and award of scholarships. In fact, community relations is an important component of public relations in oil producing and chemical processing companies. The Nigerian National Petroleum Corporation, Mobil Producing Nigeria, Texaco Nigeria, Shell BP, Chevron and many others whose operations naturally negatively impact the inhabitants around their oil-fields have had some beneficial programmes organised to alleviate the suffering of the people.

Occasional lockouts, sabotage and long public protests in newspapers may be indicative of inadequate assistance to the indigenes whose lands made the abundant oil wealth possible. The Ogoni people's protests were so strident about their neglect to the extent that they refused to vote during the ill-fated June 12 1993 Presidential Elections. It was therefore not surprising during the 1993 political logjam to see the oil communities maximising the opportunity to forcefully attract international and national attention in alleging neglect and demanding more concessional projects from the oil companies which were barred from producing for several months. The Movement for the Survival of the Ogoni People (MOSOP) is a case that requires close study

in how small communities can mobilise support to prick the conscience of government and the oil companies in their protest of environmental degradation, pollution and pauperisation as a result of inadequate attention being paid to their welfare. The Oil and Mineral Producing Areas Development Commission (OMPADEC) newly reconstituted as Niger Delta Development Commission (NDDC), defunct Petroleum Trust Fund (PTF), Niger Delta Environmental Survey (NDES), the constitutional conference resolution for more concessions to the oil producing communities (e.g. revenue allocation and special funds) were all attempts at addressing the problem. All of the efforts being made so far amount to scratching the surface. Projects in road construction and community building are poorly done and inadequate compared to demands. The efforts of the oil companies are equally very inadequate but their projects are of higher quality and relatively more functional than those that are done by government agencies, OMPADEC inclusive.

The North East Arid Zone Development Programme (NEAZDP), a foreign-based assistance project in Gashua, Yobe State, Nigeria, recognised the essence of corporate citizenship such that it has positively transformed the lives of the people in the area through assistance in potable water, increased agricultural production, primary health care, education and support for local self-help projects in the host villages. This EEC-sponsored project has assisted eight communities in Yobe State to build, equip and staff prototype community banks that enabled the people to commence the journey towards economic emancipation and self-reliance. The communities that benefited from this programme are so small and rural that they would not have contemplated setting up their community banks. This is a model that can be adopted by the oil and gas companies. The assistance to the local people must transcend the issue of what to eat and drink today to that of total economic emancipation. A local unit bank jointly owned and run by them is a feasible solution to a dependent culture of corporate donations.

In another situation, a community may have to relocate as a result of a project to be sited on its land or which may pollute the area and affect the health of the community. An issue like this could be emotional because of the sentimental attachment to one's place of origin. It would require a lot of persuasion, and offers to provide site and services commensurate with, or even better than, what the community presently enjoys before such proposals are accepted. All these will certainly add to the cost of a project but there is hardly any other way to it than making this kind of efforts to ameliorate the inconveniences such relocation might cause the inhabitants. A practical example of this is the relocation of the Gwari people who are the original owners of the land in Abuja and its environs. When Nigeria's new capital was carved out in 1976, the relocation cost the Federal Government millions of naira to build prototype houses for the inhabitants with modern facilities. Naturally many of them, could not live in the so-called modern houses, they preferred relocating themselves to the farmlands where they are more at home. Till today the resettled Gwaris are still not too comfortable living outside their natural habitat and it would take both the government and the people a much longer time to resolve the fallouts arising from it.

Although community relations involves large sums of money, the expenditure is often criticised by uninformed management. Organisations or governments whose activities may disrupt the lives of the host communities should take this important public relations function very seriously because the cost is usually insignificant compared to the severe damage the lack of it will cause the two parties. A single community revolt, sabotage or hostage taking as in the case of Niger Delta can cost an organisation billions of naira in both human and material resources and many more years to redeem the cost incurred in such face-offs. The company would have lost its reputation in the process, too. A single communal protest at Eket against Mobil Producing Unlimited was estimated to have cost the company about six billion naira, according to media report. Apart from

enhancing the image of the organisation as a responsible corporate citizen, organisations should always remember that most community relations efforts that go as donations attract some tax concessions from government. When the public knows the corporate good deeds of an organisation, they tend to be very understanding, supportive and sympathetic when there is crisis. Andrian Cadbury's counsel on corporate governance is very instructive and it is quoted here:

What is known as the iron law of responsibility states that, in the long run, those who do not use power in a manner which society considers responsible will tend to lose it.

It is always wise to be a responsible corporate citizen.

IS YOUR COMPANY SOCIALLY RESPONSIBLE?*

Engineering close, off Idowu Taylor Street, Victoria Island, Lagos is about two hundred metres long. As short as it is, it can only be compared with a few streets or roads in the country in terms of wealth. It shares a similarity with Marina and, maybe, Broad Street. The similarity is not just that the trio are islanders. It is more of the fact that they accommodate the cream of the nation's companies. At engineering close are the corporate headquarters of "five star" oil companies: Elf Marketing, Agip Oil Nigeria Plc.

The close, only recently, was the operational nerve of the Bretton Woods Institutions in Nigeria, a.k.a. the World Bank and the International Monetary Fund (IMF). At the end of the close were two veritable institutions, the National Social Insurance Trust Fund (NSITF) and Owena Bank. At the beginning of it is the Victoria Island branch of United Bank for Africa (UBA).

This description is not unique. Many streets share it. But one description narrows down the similarities. The close knows no dry season. The close however has abundance of water, not the one flowing from the taps and boreholes but what our high school English teachers would describe as "waterlogged".

The irony: very close neighbours of Engineering Close are the Nigerian Society of Engineers, the Nigerian Institute of Architects

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and the Nigerian Institute of Quantity Surveyors. When you add this to the fact that the close is christened Engineering Close, it becomes a case of "completeness in my father's house". Yet for the close, it is a case of absolute lack.

We are told that much of the close's problems were caused by the failure of drainage system owing to the construction work of the major occupants of the close. The logical solution was to put back what has been damaged by the firms. The companies however do not seem to think along that line. They have to fill the owner's pockets with dividends and not much is left to make where they are situated habitable. A good goal yesterday, but not today.

The bankers only recently redefined corporate vision and goal. For them, business is no longer the act of making and declaring profits. The relevant publics are no longer only the shareholders, management and employees and customers in the strictest sense. There is now a new realisation that business must go beyond micro-organisations, it must extend to the industry, the sector, the economy, the nation and the globe. This, some specialists say, is because organisations are not only affected by problems within their locale, but development in the macro-environment.

The way out is to service the engine, rather than the coaches. The engine includes physical infrastructure – roads, railways, airports and telephone exchanges – the fiscal and monetary infrastructure, to wit, stable credit guidelines, fiscal discipline, transparency, stable interest rates and favourable investment climate; not excluding good governance and stable polity.

These are the areas the business people want to pursue. It is like the pursuit of righteousness that adds every other good thing. Every other good thing? Critics say it is all a lie. How can there be a change of heart when they are still declaring huge profits running into several millions whilst the 100 metre road passing in front of their head office building is in great state of disrepair.

Their grouse is that it is not their responsibility to repair such roads. After all, they pay all kinds of corporate taxes to the government. They then prefer to live in tears amidst their wealth. They see no sense in the collective resuscitation of Nigeria as represented by their immediate environment.

Remember that refrain? "This generation of Nigerians and indeed future generations have no other country but Nigeria. We must stay here to salvage it together." A familiar chord. But this is not suiting to the ears of these corporate citizens.

The misunderstanding between organisations and their publics has become so intense that it is now very difficult to ignore. In the wake of the Ogoni Nine crisis, the international community blamed it on the operational modus of one of the frontline oil companies operating in Nigeria. The Igbo man will argue that it is like leaving the buttocks that fart to knock the head. Even very good intentions of such a company are always misunderstood. Shell, for instance, is suspect for proposing to build an oil waste estate in Abraka, Delta State. Abraka people feel the company has something up its sleeves and must nip it in the bud. But the environmental publics are not always ungrateful. In the Apapa area of Lagos, a one-kilometre road leading to the "Lagos real city" was reconstructed by Julius Berger, courtesy of Mobil Oil. And you need to hear the libations and encomiums poured on the company. For Mobil Oil to bring Julius Berger to that place must have cost a fortune. We heard that the construction was delayed because some local government officials wanted Mobil to "behave" before taking such a credit. It is not confirmed but nothing is impossible. Mobil did not see any reason to bribe the officials for a job they should have done. But eventually, the road was constructed.

But will Mobil and other such companies wait for heaven to pay back. Not exactly. If the old maxim that "a good name is worth more than gold," is to be reckoned with, then socially responsible companies have everything to gain.

Corporate Sponsorship

Closely related to community relations is corporate sponsorship, which also is called events marketing. It has gained some popularity as an important component of public relations. In Nigeria, many sporting events such as Milo Marathon, NITEL's Nigeria Open Golf Tournament, Guinness Nigeria Plc's active support for NUGA, sponsorship of TV drama series, NNPC under 13 Primary School Football, among several others, are sponsored by organisations with a view of using the events to promote their corporate image.

Whereas community relations seeks to make organisations accepted as a responsible corporate citizen, events marketing allows organisations to take advantage of popular events to project

their positive image by establishing massive corporate presence during the events as well as investing in massive publicity of corporate goals and products. A lot of publicity goes to herald the event in the media. Certainly, event marketing is not only a public relations tool, it is also, to a large extent, a marketing tool to create general awareness for products and services. Coca-Cola, 7-Up Bottling Company, SONA Breweries, Nestle, Nigerian Breweries and Cadbury are leaders in the use of events to promote their products.

Corporate citizenship is an area that requires more attention of public relations executives. The communities in whose names projects are funded and events sponsored seem not to appreciate this corporate gesture. The companies that provide the funds are unhappy because the public perceive them as uncaring and exploitative. Perhaps the solution lies in increased communication between the parties involved. They need to meet with the community to solicit its understanding as well as elicit information on the projects that it considers most pressing before any decision is taken. If this is done, the communal interest would be better served and the organisations affected would get value for their money and a "Thank you".

Business Ethics

Business ethics have to do with the behaviour of corporate organisations and the behaviour of the main corporate players such as the chief executives and senior managers. The behaviour of these senior executives of organisation determines compliance or non-compliance with those values with which good corporate citizenship is identified. In most businesses, what one finds is that very little is attached to moral values, such that the common refrain is "no moral in business" in as much as a course of action will ultimately lead to higher profit. Just as in business, most third world countries have displayed unethical behaviour in governance, especially during military intervention when government and its agencies are not accountable to anyone.

Government in this kind of situation continues for as long as it can use any method to prosecute its agenda. When a situation like this is the rule rather than the exception, the entire system collapses as there will be record numbers of failed enterprises, and even failed governments, as was once experienced in Nigeria. The massive failure of financial institutions in Nigeria in the early part of 1990s was situated mainly in the lack of business ethics whereby sharp practices, waste of scarce resources, abuse of banking rules, general corruption and graft, coupled with government's inability to give proper direction, were the orders of the day.

By not observing business ethics and morals in organisations, the enterprises may continue to succeed and post higher profits, but only in the short run. If the aim of every good organisation is to remain permanently in business, business ethics and morals cannot be ignored as a single corporate lapse can ruin all that the organisation and its managers have worked to achieve in several years. This was practically demonstrated when several businesses failed in Nigeria and their principal managers were jailed.

Business ethics and moral are usually observed when the entire business environment is well structured and appropriate punishment prescribed for non-compliance. Government, through rules and leadership by example, can influence corporate culture thereby raising moral values and ethical standards which lead to sanity in business environment and earning income for a long period of entrepreneurship. It is, therefore, necessary that business ethics must necessarily constitute a very important part of our business life in order to achieve a competitive edge. This goes beyond the passive response to the statute laws, regulations on fiscal policies, to the higher ideal of a self-interest in "doing the right thing" for the good of the society and the long-term production of wealth.

Researchers may not have been able to prove realistically that socially responsible companies do better than the dubious ones. In contrast, evidence abound that the more rascally and crooked

companies post higher profits than the better-behaved. In spite of this, experts are convinced that majority of business managers believe that long-term business success and ethical practices go hand in hand. Two Harvard Business School scholars, Amar Bhide and Howard H. Stevenson capture this irony in the *Harvard Business Review*:

We bet on the rational case for trust. Economists, ethicists and business sages had persuaded us that honesty is the best policy, but their evidence seemed weak. Through extensive interviews we hoped to find data that would support their theories and, thus, perhaps, encourage higher standards of business behaviour. To our surprise, our pet theories failed to stand up. Treachery, we found can pay. There is no compelling economic reason to tell the truth or keep one's word – punishment for the treacherous in the real world is neither swift nor sure. Honesty is, in fact, primarily a moral choice.

Tallying with the above is the self-confessed Philippe Khan of Borland International, which was a case of a software company, that in 1983 set up an elaborate scam to deceive an unwary advertisement sales representative. Khan had products to sell but he needed to advertise to attract customers. He had no money to take the one page he required from *Byte* magazine. Skilfully, he put up an appearance of a successful company by hiring several casual hands on the D-Day, and ensured that the phones kept ringing while people milled around. He went ahead to draw up an impressive media plan from which the victim, *Byte* magazine was neatly crossed off. The unwary salesman came, believed the drama and more importantly saw that his magazine was not even a contender. He struck a deal with Khan and the advert went out. Borland sold \$150,000 worth of software. Clearly, what he did was less than ethical notwithstanding the fact that *Byte* magazine got paid; the customers got value for their money and nobody got hurt.

Conversely, Empire south West, a distributor of caterpillar equipment in Phoenix, USA, refused to give bribe to be allowed into the Mexican market in the early 1970s. Empire chose to forgo some profits to maintain its integrity. In the short term, the decision was costly. In the long run, empire established itself as an honest company and made money besides (Ratajski). By 1977, America found it necessary to enact the Foreign Corrupt Practices Act, which specifically forbade American firms from bribing foreign officials. This means other companies would now have to learn how to do what Empire did voluntarily, by force or face the wrath of the law.

Manville Corporation, USA, had a similar test when in its characteristic business style, it decided to put the cancer warning "C" on the bags of diatomaceous earth products which contain sand-crystalline, silica that the World Health Organisation had listed as a probable cancer beaming product. Manville translated into 12 languages on its packages for wider and clearer information to all manner of users. Japan would not want the "C" warning translated in Japanese on the bags but Manville insisted and lost the market to the tune of some 20 million dollars of sales to other competitors. Much later, events changed and their products were accepted as packaged in Japan with a government official remarking, "we admire your bravery". Furthermore, customers, employees, labour leaders have had to express confidence in Manville as a company to be trusted to do the right thing at all times.

There are many examples of Khans in Nigeria but there are no case studies nor empirical details on them. The lesson to learn from here is that business cannot afford unethical behaviour because the repercussion of deviation from the norm could be profound on both the poor and the rich in the society and even on the worker's family. Today's chief executive officers are being implored by Tom Stephens, Manville's Chairman, President and CEO to equate and expand the title CEO to mean *chief ethics officers*. Ethical and moral issues are easier to handle when the leadership

is exemplary. Nigeria's fourth attempt at democracy would in future present excellent case studies of this phenomenon if the government of President Obasanjo could sustain its leadership based on transparency, accountability and good governance. This will surely change the face of business practices in this part of the world. The benefit of ethical business standards is tremendous to the civil society. Fittingly, Capen (Jnr) counsels as he affirms that:

More than ever, there's the need to restore ethics and integrity in all that we do: ethics in the language we use in dealing with each other, ethics in professional life, ethics in public life.

It is very important for corporate bodies to adhere to the age-long standards of trust, service and respect for successful business relationships. Good ethics, is good business.

Public Relations Professional Code of Ethics

Our world and time are characterised by unprecedented upturn of old certitudes and notions. What was treasured in the past as truths are now regarded as myths or outright conservatism. When truths are challenged and rationalised in many ways, ethical values become a more risky subject to deal with.

Public relations ethics is a very important element for all practitioners. The present stage, which the profession has attained in Nigeria, has not brought out this dimension as forcefully as is considered necessary. This is not to say that extremely worrying cases of professional misconduct and unethical practices have been rampant. Rather, the current upsurge of sleaze in the corporate world calls for public relations practitioners to bring its code of conduct and ethics to the front burners for the education and compliance of members. After all, the profession is seen in many circles as a willing tool in connivance and cover-ups for unethical corporate disposition. Ethics is the principle of conduct that seeks to distinguish between right and wrong while conduct

relates to the management of oneself from a moral point of view, according to the accepted manners and morals in a given society. Put in another way, ethics has to do with "duty to conscience" and "obligations to others". The public relations profession from country to country has developed various codes of conduct and ethics for its members. Codes of ethics of the International Public Relations Association 1965, the British Institute of Public Relations 1962, Public Relations Society of America 1959, and the Nigerian Institute of Public Relations 1981, would be examined in this section.

Basically, all the codes sprang from the same principles that were enunciated in the British Institute of Public Relations and the Code of Athens with some modifications. Using the adaptation of the codes by the Nigerian Institute of Public Relations, attention will be drawn to the source codes (IPR, PRSA and Code of Athens) which predate the NIPR adoption date. Readers may at their convenience check these codes which are not reproduced in this book.

Every member of the Nigerian Institute of Public Relations shall:

- (i) Respect the moral principles of the "Universal Declaration of Human Rights" and the freedom entrenched in the constitution of the Federal Republic of Nigeria in the performance of his/her duties; (see Nos. 1 and 5 of the Code of Athens).
- (ii) Recognise that each person has the right to reach his/her own judgment by himself/herself; (see No. 6 of Code of Athens).
- (iii) Respect the right of parties in a dispute to explain their respective points of view; (see No. 7 of the code of Athens).
- (iv) Encourage the free circulation of public information and preserve the integrity of channels of communications; (see No. 30 of IPR; No. 2 of the Code of Athens and Nos. 6 and 7 of PRSA).

- (v) Put truth and honesty of purpose before all other considerations; (see No. 10 of Code of Athens; No. 3 of PRSA).
- (vi) Safeguard the confidences of his/her present and previous employers or clients; (see No.5 of IPR; No.9 of the Code of Athens and No.1 of PRSA).
- (vii) Present only interests, which are not in conflict: (see No. 8 of IPR and Nos. 4 and 5 of PRSA).
- (viii) Refuse to enter into any agreement, which requires the attainment of certain results before the payment of professional fees; (see No.9 of IPR and No. 12 of PRSA).
- (ix) Protect the professional reputation or practice of another member, but make it his duty to report unethical behaviour on the part of any member of the institute; (see No.16 of IPR; No.12 of Code of Athens and No. 9 of PRSA).
- (x) Not seek to displace any other member with his/her employer or client, except with the mutual agreement of all parties concerned; (see No. 9 of IPR).
- (xi) Not operate any 'front' organisation; (see No. 8 of PRSA).
- (xii) Cooperate with other members in upholding and enforcing this code. (see No. 16 of IPR).*

In "Ethical Regulation of Public Relations Practice," Nnaemeka posited that the NIPR Code of Ethics are largely a reproduction, in superficially revised terms, of the "Code of Professional Conduct of the British Institute of Public Relations (IPR)." This is true as already shown. What is more, the institute failed to properly situate the NIPR Code of Ethics within the existing

*Appendix VII is the full NIPR Code of Professional Practice Bylaw No. 1 of 1992.

Nigerian Constitution. Nnaemeka (1990) argued that the code is ineffectual in as much as it did not emphasise the "*public interest*" which it ought to protect as clearly enunciated in the country's constitution. He said:

... it ought to be made a moral obligation for all practitioners of public relations in Nigeria to ensure that in the performance of their duties, whether within a corporate organisation or in independent consultancy agencies, the national interests as outlined in Chapter II of the Nigerian Constitution, titled "*The Fundamental Objectives and Directive Principles of State Policy*", are upheld. To the extent that the values inherent in those objectives and directive principles of State policy are to constitute the foundation of the emergent Nigerian Society, public relations organisation and ethical codes of practice in the country will accordingly be rooted and derive their main source of nourishment and growth from the normative doctrines that inform the social system.

A good example of the hanging nature of the codes instead of anchoring it on the country's constitution is code number seven which says that members should "respect only interest which are not in conflict." Perhaps the complete statement ought to read thus: "... with the objectives of state." Also, clause number twelve may serve a better purpose were it to read thus – "cooperate with other members in upholding and enforcing this code and the constitution of the Federal Republic of Nigeria, especially the provisions of Chapter II".

Decree 16 of 1990 having established the institute, public relations practitioners would be expected to act in accordance with the spirit and letters of the law. This cannot be said to be the case as at now. Often, members hide under the guise of "*situational ethics*" which enables them to act ethically when it is most convenient whereas what is needed is "*absolute ethics*". By absolute ethics, any person subscribing to it would be expected to be ethical.