

## ORGANISATIONAL HEALTH OF MANUFACTURING FIRMS IN NIGERIA: A THEORETICAL FOCUS ON THE ROLE OF ETHICAL INFRASTRUCTURE

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### ABSTRACT

*This paper discussed the role of ethical infrastructure in the organisational health of manufacturing firms in Nigeria. The design for the paper is theoretical, and its theoretical premise is the institutions theory. Through the lens of the institutional theory, ethical infrastructure, expanded upon and its significance and reinforcement within the context of the Nigerian manufacturing sector, espoused. The paper, drawing on the dominant and prevailing position, emphasised the need for bolstering ethical behaviour and conduct within organisations through rewards, and also addressing deviance and non-compliance through strict sanctions. Drawing on the review, it was concluded that ethical infrastructure is critical for the health of manufacturing organisations, even those within Nigeria. The focus on strengthening such, would serve the economic wellbeing of the sector and can also be used to drive long-term global initiatives and goals.*

*Keywords:* *Organisational health, institutional theory, ethical infrastructure, Nigerian manufacturing sector.*

### Introduciton

Good health is a pre-conditioning factor for the effectiveness and performance of firms. This statement holds true for the Nigerian manufacturing sector, which as () reported, continues to underperform and rates poorly compared to other notable African countries, such as South-Africa, Egypt and Algeria (Adewole, 2017; Oginini, 2018). Given an availing abundance of resources, natural and human, one would expect a country considered as the most populous black nation on earth, to compete favourably with countries such as China and India; unfortunately, this is not the case. While this observed setback in terms of operations and productivity has been described as multifaceted and as owing to a variety of issues (Akpan et al, 2021), of major concern to this paper is the poor health, and by that, the poor utilisation and application of resources, goal alignment and innovation

expressed within Nigerian manufacturing organisations (Abu, 2018).

Related research within the Nigerian manufacturing sector, affirms to weak regulatory systems, and the exploitation of such for personal or group interests to the detriment of the organisation (Ajibola et al, 2019). Akpanobong (2018) research showed that concerns of bias and the misappropriation of funds, have become realities, which reign unabated within the sector. Akpanobong (2018) argued that the prevalence of corruption within the sector, draws on an overarching nonchalance and ingenuine interest in the wellbeing of the sector. Studies, such as those of Agha et al (2017) have emphasised increased control through reforms and policies. This corroborates Adeyeye et al (2015) position on the imperatives of reinforcing ethical institutions and values for improved monitoring and compliance to standards of conduct and actions. However, the scantiness

of research addressing this ill is also another factor that contributes to its prevalence.

This paper discussed the role of ethical infrastructure in the outcome of organisational health. It focuses on three main objectives, the contribution of content that delineates the issue of interest and thus, raises awareness about the health challenges of manufacturing organisations in Nigeria, an attempt to link or identify the nexus between ethical infrastructure and organisational health, drawing on previous research, and third, the objective of demonstrating the significance and by that, the imperatives of ethical infrastructure to the Nigerian manufacturing industry. The paper anchors on the institutions theory (Greenwood et al, 2011), adopting such as a basis and premise for understanding the emergence and predicting the outcomes of ethical infrastructure within organisations.

### **Theoretical Framework**

The organisations disposition toward its environment and the behaviour of its people, is reflected in the nature and focus of its policies, regulatory frameworks and reward systems. Concerns of ethics and the imperatives of such for the health of the organisation, as the case of this research, is espoused using the institutional theory (Greenwood et al, 2011). The institutions theory, describes the institutionalisation of related policies, procedures and practices that are adopted in reinforcing the organisations values and expectations. It clarifies on the link between the emergence of the organisation's norms and the environment as well as the internalisation of organisational experiences and the sprouting of policies and standards, structured in line with enabling the organisation cope and thrive within its environment or context (Greenwood et al, 2011).

Based on the foregoing, the institutional theory is adopted as the theoretical foundation and framework for this research. Key assumptions of the theory, identify with the need for organisations to develop and structure their internal processes, systems and relationships in line with addressing related ills and lapses in their operations, and also ensuring that their policies and norms support their goals and objectives. The choice of the institutional theory for this research, is one which premised on the recognition of the imperatives of ethics and the enactment of behaviour control systems that serve to protect the interest and wellbeing of the organisation (Battilana et al, 2009; Greenwood et al, 2011). Scholars (Azowa and Tantua, 2020; Emehi and Onoiaife, 2024) proffer stronger ethical values and conduct as necessary for inter-group trust and collaboration. These enrich organisational focus and assure of members dependability.

Weeks and Chokon (2014) posited that the emphasis on ethical values and conduct, serves both internal and external concerns of the organisation. From an internal perspective, such values condition interactions and behaviour in the workplace; controls and deviance and reinforces compliance through rewards and other related benefits. It is important in ensuring healthy and quality relationships within the organisation. From the external perspective, it reinforces the character and reputation of the organisation (Week and Chokon, 2014). Increasing its validation within its context and among its partners. Thus, one could argue that the institutionalisation of ethics and the strengthening of the ethical infrastructure of firms can substantially enhance outcomes of organisational health, particularly in the areas of goal focus, cohesion and innovativeness.

### **Ethical Infrastructure**

Ethics describes principles and values considered as moral, which govern and guide individual behaviour, and relationship with others. The justification for right and wrong, for some, anchors on their religious affiliations or belief systems (Omisore, 2015). The base for ethics and its operational definition for this study, however, is hinged on the underpinning considerations of fairness, integrity, the dignity and rights of others in social and economic exchanges. Scholars such as (Omisore, 2015), advocate for stronger levels of ethics, particularly in economic transactions, where trust is critical for long-term relations and business wellbeing. This corroborates Lloyd and May's (2010) opinion on the significance of ethics in business practices, decisions and operations. However, Adeyeye et al (2015) on the other hand argued that the focus on ethics should be at the micro or individual level of the organisation. This, according Adeyeye et al (2015), is where the roots or foundation of ethics can be strengthened.

Ethical infrastructure describes the various practices, procedures, policies, and processes, formal or informal, designed and adopted in reinforcing ethical behaviour and discouraging unethical behaviour in the organisation. It can also involve training programs structured to clarify staff on moral and professional dispositions toward co-workers or customers of the organisation (Ebitu and Beredugo, 2015). At the same time, it also covers the various sanctions and regulatory mechanisms, established and authorised in dissuading deviance or unethical activities and behaviour in the organisation. This suggests a deliberate and structured approach to monitoring behaviour and correcting such in view of maintaining

internal stability and confidence within the organisation's system. Foote and Ruona (2008) argued that the ethical infrastructure of any system, boosts its communication and assures of the dependability of members, given clear implications of default.

However, the use and significance of ethical infrastructure, as earlier noted, extends beyond the internal stability of the organisation. Studies (Anyim et al, 2018; Love et al, 2017) indicate that within business contexts such as the Nigerian manufacturing environment, organisational trust and the confidence in partnerships have been affected and negatively influenced by the level of corruption, and increase in the number of cases of business fraud. Within such an environment, agha et al (2017) argued that ethics become a value; one which propels the organisation high above its competitors. However, this implies that the organisation is able to drive its workforce in the direction of its concern; ensuring that all members not only align with its position on moral actions and conduct, but also ensuring compliance through the establishment of boundaries and parameters. Going by this position, ethical infrastructure can also be considered a brand tool, essential in securing patronage and trust.

### **Organisational Health**

Health is often addressed as an internal concern. When it comes to organisational health, research focus has over the years, emphasised the stability of systems, communication, collaboration and the utilisation of resources. This focus is one of the bases for differentiating between organisational health and the likes of performance and effectiveness (Abu, 2018; Gabr et al, 2019; Jamieson, 2014). However, emerging thoughts and scholarship on organisational health are increasing now,

recognising the implications of health on the organisation-environment dynamic (Herzellah and Argawi, 2019). This corroborates Yuceler et al (2013) position that poor health systems, hamper the organisations efforts at partnerships and also, militate against the organisations capacity for reliability. Yuceler et al (2013) furthered this observation, noting that most often, issues linked to inefficiency and the inability to meet project or manufacturing deadlines or criteria, can be traced to discordance, not only within the organisations system; but also, between the organisation and the overarching features of its environment.

While the position on the organisation-environment health concerns is such that stem from the imperatives of alignment, for example, in terms of technology development, people skills, and learning, these nonetheless have to be translated inwards and actions have to be taken to ensure compliance (Dive, 2004; Harianti and Gustamo, 2017; Mohammadiadr et al, 2012) In order words, despite the recognition of external implications, the required modulations and modifications in ensuring organisational health are such that yet, flow or emerge from the organisation's internal activities, as well as control and coordination mechanisms. In this vein, one is forced to agree with the views of older scholars (Lecioni, 2012; Singh and Burhan, 2015) that organisational health is the extent to which the internal operations and components of the organisation, demonstrate stability, harmony and coherence; such that allow for its effectiveness in coping and thriving within its environment as well. This however, can only be achieved where the organisation as a system is able to effectively integrate and coordinate its own resources and components, in line with the overarching

structures and factors that define its environment (Harianti and Gustamo, 2017).

Another locus of concern when it comes to the topic of organisational health, is that of the role of the organisation's management or leadership. Scappatura (2011) argued that leadership plays a major role in organisational health. This position is shared by Asefi et al (2017) who affirmed that leadership, through the clarity of vision and purpose, as well as the effective follow-up of such with the formulation and implementation of suitable policies, can effectively harmonise group interests in the organisation and even drive citizenship behaviour in the employees. Asefi et al (2017) reiterated the position of Scappatura (2011) by arguing that the effectiveness of leadership, is primarily a reflection of the extent of suitability or appropriateness of its strategies and policies. These as Asefi et al (2017) pointed out, are the mechanisms through which leaders are able to drive the interest of the organisation, regulate members actions and behaviour, and also ensure compliance in the organisation. Such are imperative in the translation of plans and objectives to organisational actualities and realities.

### **Challenges of Organisational Health in Nigerian Manufacturing Sector**

The challenges of organisational health are multi-faceted (Abu, 2018). Within the Nigerian manufacturing sector, Adeyeye (2015) noted that internal frictions and strife between groups as common place. According to Adeyeye (2015), strikes have over the years characterised the activities of the Nigerian manufacturing sector, furthering the tension and friction between employers and employees. These factors contribute to production inconsistencies and have puncture existing trust between employees

and their organisation. Occasions of discord and conflict between groups, stagnate the development of manufacturing firms, and contribute to the inefficiency of the organisation. Such affect the health of the organisation negatively. Other challenges in the industry include the issue of corruption, and also that of poor diversity management in Nigerian manufacturing firms (Adeyeye et al, 2015).

These challenges pose barriers to the organisational health of manufacturing firms and are reflected in the poor utilisation of resources, inconsistencies in the objectives and goals of the organisation as well as the incoherence and lack of cohesion across the groups in the organisation. Research (Adeyeye et al, 2015; Agha et al, 2017) highlights these concerns as pervasive across the industry and as contributing to the poor performance of the indigenous manufacturing companies within the industry, especially when compared with other international or foreign manufacturing companies. The Manufacturer's Association of Nigeria (Okojie and Onyeama, 2025), identified the manufacturing industry as lagging behind compared to other more industrious African economies such as South Africa, Algeria and Egypt, despite available manpower and natural resources in the country. However, as Adeyeye et al (2015) argued, there is the need for manufacturing companies and the leadership of such to look inwards and focus on developing or reinforcing the collaborative spirit and harmony between their constituents for improved functionality and operations.

### **Ethical Infrastructure in the Nigerian Manufacturing Sector**

Research (Adekunle, 2022; Okojie and Onyeama, 2025) identifies the Nigerian business context as highly dynamic, but more

so, one prone to high levels of corruption, nepotism and high-handedness. These concerns are also reflected in the Nigerian manufacturing sector. However, the increasing calls for sustainable manufacturing, increased corporate social responsibility and stakeholder partnerships in Nigeria, also emphasize the imperatives of ethics in assuring partnering organisations of the trustworthiness of firms (Horak et al, 2018; Wang and Wu, 2020). According to Horak et al (2018), ethics is today, a scarce commodity or feature, which when expressed, demonstrates not only a commitment to value, but also the substantiality of character. These are vital in trust development between organisations and serve to also reinforce the embeddedness of the organisation in its environment. Adekunle (2022) affirmed that such concerns over unethical actions and behaviour, in their dealings with customers and stakeholders, is considered reason for the marred relationships between most manufacturing companies like Nigerian Breweries, Dangote Cement PLC, SHELL Nigeria, and their stakeholders.

Adekunle (2022) reported that while a good number of the organisation-stakeholders tension and friction were as a result of issues linked to sustainability, community development and employment; a good proportion of these companies are also reported to struggle internally with issues such as divergence in group interests, employee rights, compensation, administrative negligence and perceived inequity in the distribution of the organisation's resources. Such conditions, or perceptions, fuel distrust and contribute to the poor health of these manufacturing companies (Adekunle, 2022; Okojie and Onyeama, 2025). In line with the foregoing, ethical infrastructure can therefore be considered an imperative in driving

behaviour modification and control in the organisation. Ensuring that groups interests are aligned with those of the organisation and that behaviour and actions of all members of the organisation, are effectively regulated and patterned in line with clearly stated models and standards. Ethical infrastructure can therefore be considered the bridge, necessary for connecting groups and ensuring the values of the organisation, is imposed on all members of the organisation (Akpanobong, 2018; Osibanjo et al, 2015).

Studies (Foote and Ruona, 2008; Anyim et al, 2018; Azowa and Tantua, 2020) note, that there is no uniform or clear-cut path to achieving and maintaining the ethical infrastructure of any system.

Related forms of infrastructure, must therefore emerge and draw on the peculiarities of its own context; focused and particular in its approach to addressing the ethical gaps and issues connected with inequity within such a system. Azowa and Tantua (2020) argued that while the key tenets and expectations of ethics, underpin almost all social and economic interactions, the degree and extent of their manifestations within specific contexts differ. It is therefore essential that in addressing the concerns of ethical infrastructure within systems such as the Nigerian manufacturing sector, emphasis is placed not only on the dominant and more glaring issues such as corruption and nepotism within the organisation, but also on subtle and often overlooked concerns such as gender and minority group interests, pay dispersion and compensation. These are critical and can also be addressed using contextualised policies that address workers welfare, wellbeing and the relationship between staff and management.

## Conclusion

The review centred on the attributes of the concepts of interest, ethical infrastructure and organisational health. The review offers insight into the role of ethical infrastructure and its significance in regulating behaviour and channelling such in ways that assure of healthier levels of collaboration, goal focus, cohesion, and resource utilisation. Major perspectives, advance strong support for the development and reinforcement of ethical infrastructure as a way of furthering a harmonious and more integrated workplace where group values and interests are synchronised with that of the organisation. This position also anchors on tenets of the institutional theory, which was adopted as the theoretical premise for this study. The review however, offers strong evidence and content advancing the role and importance of ethical infrastructure for improved organisational health, particularly within the Nigerian manufacturing sector. This draws on the criticality of control and regulation in the sector and the need for reinforced ethical values.

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