

## **ETHICAL RESPONSIBILITY AND OPERATIONAL EFFICIENCY OF FOOD AND BEVERAGE MANUFACTURING FIRMS IN PORT HARCOURT, RIVERS STATE**

**Kalagbor, V. O.,**

Department of Business Administration, Faculty of Administration and Management,  
Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

**Oparanma, A. O.,**

Department of Business Administration, Faculty of Administration and Management,  
Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

and

**Bayo, P. L.**

Department of Business Administration, Faculty of Administration and Management,  
Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

### **ABSTRACT**

This study examined the relationship between ethical responsibilities and operational efficiency of food and beverage manufacturing firms in Port Harcourt, Rivers State. The study was guided by 3 research objectives, research questions and hypotheses. The study was guided by Stakeholders' Theory and Fiduciary Capitalism Theory. The study adopted a cross-sectional design. The population of the study consisted of thirteen (13) food and beverage manufacturing firms in Port Harcourt, Rivers State. The entire population of thirteen (13) food and beverage manufacturing firms in Port Harcourt, Rivers State was studied as sample using Census method. The data for the study was collected mainly from the primary source. The researcher used face validity by submitting a drafted copy of the questionnaire to the supervisors who are experts in the field of Management. To ascertain the reliability of the instrument, the Cronbach alpha coefficient was adopted in assessing the reliability of the study instrument. The hypotheses were tested using Spearman's Rank Correlation Coefficient ( $r^o$ ) version 27. The result showed that ethical responsibility has a strong positive relationship with measures of operational efficiency of food and beverage manufacturing firms in Port Harcourt, Rivers State. It was concluded that ethical responsibility has a significant influence on operational efficiency of food and beverage manufacturing firms in Port Harcourt, Rivers State. Based on the findings and conclusion, it was recommended that Management of food and beverages firms in Port Harcourt, Rivers State should consolidate on their community relations activities such as scholarships, donations, community health care programs, skills acquisition programs etc. these enhances the image of the firm in the public view and this can translate to future profit and capital investment.

**Keywords:** Ethical responsibility, operational efficiency, cost reduction, resource utilization, operational flexibility

### INTRODUCTION

In recent times, the operational efficiency of organizations has received a substantial amount of attention by academics, practitioners in the field of management. This is because improved operational efficiency is targeted at reducing waste in time, effort and materials as much as possible, while still producing a high-quality service or product (Berger, Hunter & Timme, 2013). If firms operate more efficiently, they might expect improved productivity and consequently profitability. According to Kalluru and Bhat (2009), operational efficiency is the proficiency of a corporation to curtail the unwelcome and maximize resource capabilities so as to deliver quality products and services to customers. Operational efficiency is the ability of an organization to reduce waste in time, effort and materials as much as possible, while still producing a high-quality service or product.

Today, organizations are taking proactive measures to enhance their operations while adhering to approved standards and best practices in their industry and country of operation. According to Osibanjo, Akinbode, Falola and Oludayo, (2015), one of these acts is known as ethical practice. Businesses must create an ethical business climate in order to develop an ethical organization. Ethical responsibility encompasses a range of behaviors, policies, and norms that emphasize moral values, integrity, and social responsibility. Theoretical discussions by Donaldson and Dunfee (2019) underscore the significance of ethical conduct in fostering trust among stakeholders, enhancing organizational reputation, and shaping the overall effectiveness of an organization. Ethical practices within organizations constitute a fundamental aspect of their operations, influencing various dimensions of organizational performance. Mayer *et al.*, (2009) propose that ethical responsibility embedded within organizational culture serves as a guiding principle, shaping norms and values. This cultural integration fosters trust, cooperation, and commitment among employees, ultimately influencing their satisfaction and engagement (Jones, 2021). When individual and organizational values align, it creates a positive work environment conducive to higher performance. Ethical responsibility builds credibility and trust among stakeholders, facilitating better cooperation and resource access. Maintaining ethical relationships aligns with a sustainable approach to business, shaping a positive organizational reputation (Clarkson, 2015).

Several studies have been conducted on ethical practices and responsibility as it relates to operational efficiency in terms of profitability and competitive advantage. Among the list, Kinyanjui, Juma, Njeru and Onyango (2018) did a study on the influence of legal and ethical CSR strategy on performance of public universities in Kenya. The results showed that legal and ethical practices positively contribute to organizational performance of Public Universities. Also, Isingiwe and Gathiru (2024) investigated the abstract impacts of ethical practices on the organizational performance of Prime Life Insurance, a prominent player in the insurance sector in Rwanda. Findings from this research offer valuable insights into the broader discourse on ethics in profit-driven projects and their tangible impact on organizational success. Similarly, Davies (2015) examined the relationship between perceived organisational ethical climate and employee commitment in the Australian hospitality industry. The data revealed significant relationships between the perceived organisational ethical climate and employee commitment at the individual and local levels. From the foregoing researches, it is evidence that the researches

focused more on organizational performance, not considering the operational efficiency of the organization. However, none of the studies were conducted in the south-south of Nigeria. It is against this backdrop that this study sought to examine the relationship between ethical responsibilities and operational efficiency of food and beverage manufacturing firms in Port Harcourt, Rivers State.

The purpose of the study was to examine the relationship between ethical responsibilities and operational efficiency of food and beverage manufacturing firms in Port Harcourt, Rivers State. Specific objectives include:

1. To examine the relationship between ethical responsibility and cost reduction of food and beverage manufacturing firms in Port Harcourt, Rivers State.
2. To identify the relationship between ethical responsibility and resource utilization of food and beverage manufacturing firms in Port Harcourt, Rivers State.
3. To ascertain the relationship between ethical responsibility and operational flexibility of food and beverage manufacturing firms in Port Harcourt, Rivers State.

### 1.2 Conceptual Framework



**Source:** Researcher’s Desk, (2025) with measures of Operational Efficiency were adapted from the work of Barasa, Gregory & Okwaro (2017).

### Research Questions

In the effort to accomplish the objectives of this research work, the following research questions were put forward to help the researcher achieve its set goals.

1. What is the relationship between ethical responsibility and cost reduction of food and beverage manufacturing firms in Port Harcourt, Rivers State?
2. What is the relationship between ethical responsibility and resource utilization of food and beverage manufacturing firms in Port Harcourt, Rivers State?
3. What is the relationship between ethical responsibility and operational flexibility of food and beverage manufacturing firms in Port Harcourt, Rivers State?

### Statement of Hypotheses

The following hypotheses were given in null form so as to arrive at a logical conclusion and to achieve its stated objectives.

**H<sub>01</sub>:** There is no significant relationship between ethical responsibility and cost reduction of food and beverage manufacturing firms in Port Harcourt, Rivers State.

**H02:** There is no significant relationship between ethical responsibility and resource utilization of food and beverage manufacturing firms in Port Harcourt, Rivers State.

**H03:** There is no significant relationship between ethical responsibility and operational flexibility of food and beverage manufacturing firms in Port Harcourt, Rivers State.

## LITERATURE REVIEW

### Theoretical Review

The theoretical framework introduces and describes the theory that explains why the research problem under study exists. This study was anchored on Stakeholders' Theory and Fiduciary Capitalism Theory.

### Stakeholders' Theory

This theory was propounded by Freeman (1984). The theory stated that corporate entities are responsible to many stakeholders which include consumers, investors, employees, shareholders government and the general public. Stakeholder theory can also set the stage for effective measurement of corporate social overall performance by distinguishing between stakeholder issues and social issues. Stakeholder theory provides a structural and rationale for understanding and explaining why building ethics into planning and operations is a sound management strategy. This theory maintains that there is need for an organization to engage in active social role in the society where it is operating since it depends on the society for sustenance (Ojo, 2012). Investors, shareholders, employees, customers, suppliers, government and the communities are the stakeholders capable of influencing organizational performance of which managers must ensure that their demands are satisfied according to this theory.

The stakeholder theory therefore takes into consideration the need to satisfy those interested parties capable of influencing organizational performance if an organization is to survive in its environment (en.wikipedia.org). Corporate social responsibility has become a necessity in this present time due to the goodwill it generates and for the fact that interdependence exist between the corporate firms and the environment where they are operating. The purpose of establishing an enterprise is value creation that involves producing goods and services that will satisfy the demands of the society which maximizes profit for the owner and contribute in solving societal needs (Akindele, 2011). As the business organization are open system that take inputs from the environment while sending output to the same environment.

The theory is relevant to the present study because it provides understanding on the synergy between the business organization and the host environment. Mitchell *et al.* (1997) opined that; the theory of stakeholder engagement is meant to widen an organization's vision of its responsibilities beyond profit maximization.

### Fiduciary Capitalism Theory

Fiduciary capitalism theory was propounded by Useem (1996). Fiduciary Capitalism Theory of CSR, which leads to shareholder value-oriented management, holds that the only social responsibility of businesses is to make a profit and, in the supreme goal, to increase the company's economic value for its shareholders. This is the theory that underlies traditional neoclassical economic theory, primarily concerned with shareholder utility maximization. The Nobel laureate Milton Friedman, with his wife Rose Friedman said that In such an economy,

there is one and only one social responsibility of business; to use resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competitions, without deception or fraud according to Friedman and Friedman (1962). Generally, shareholder value-oriented goes along with the Agency Theory according to Ross (1973), Jensen and Meckling (1976), which has been dominant in many business schools in the last decades. In this theory, owners are the principal and managers are the agent. These later bear fiduciary duties towards the formers, and are generally subject to strong incentives in order to alienate their economic interests with those of the owners, and with the maximization of shareholder value.

Fiduciary Capitalism Theory contains several philosophical assumptions, some of which also present reservations from the CSR perspective. Most of these assumptions have their roots in the seventeenth century, mainly through the British philosopher John Locke, who wrote extensively on rights and liberties of the individual, three of them are essential: the right to live, the right to private property and the right to freedom. Fiduciary Capitalism Theory accepts as a matter of fact democracy, market economy and liberties included in economic activity, such as freedom of contract, freedom of association, freedom for starting up a business, for hiring labor, for choosing products and for trading.

## **Conceptual Review**

### **Concept of Ethical Responsibility**

Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights (Carroll, 2021). In one sense, changing ethics or values precede the establishment of law because they become the driving force behind the very creation of laws or regulations. For example, the environmental, civil rights, and consumer movements reflected basic alterations in societal values and thus may be seen as ethical bellwethers foreshadowing and resulting in the later legislation. In another sense, ethical responsibilities may be seen as embracing newly emerging values and norms society expects business to meet, even though such values and norms may reflect a higher standard of performance than that currently required by law. Ethical responsibilities in this sense are often ill-defined or continually under public debate as to their legitimacy, and thus are frequently difficult for business to deal with which makes it interesting for the study to focus on this.

The ethical responsibility emphasizes the activities and practices expected by the society members, which include compliance with the norms in areas which they operate. For example, companies will close down loss-making operations, regardless of the impact on employees who are made redundant. The ethics of business conduct by individual companies depends largely on the ethical stance of the company and its leaders (Carroll, 2021). Ethical practices encompass a range of behaviors, policies, and norms that emphasize moral values, integrity, and social responsibility. Ethical practices within organizations constitute a fundamental aspect of their operations, influencing various dimensions of organizational performance. Mayer *et al.*, (2016) propose that ethical behavior embedded within organizational culture serves as a guiding principle, shaping norms and values. This cultural integration fosters trust, cooperation, and commitment among employees, ultimately influencing their satisfaction and engagement (Jones, 2021). When individual and organizational values align, it creates a positive work environment conducive to higher performance. Ethical responsibility builds credibility and trust among

stakeholders, facilitating better cooperation and resource access. Maintaining ethical relationships aligns with a sustainable approach to business, shaping a positive organizational reputation (Clarkson, 2015).

### **Operational Efficiency**

The term “efficiency” is beheld in both the industrial organization and strategic management collected works as the product of firm-specific factors such as management skills, innovation, cost control and market share as determinants of current firm performance and its stability. Operational efficiency is the ability of an organization to reduce waste in time, effort and materials as much as possible, while still producing a high-quality service or product (Berger, Hunter & Timme, 2013). Financially, operational efficiency can be defined as the ratio between the input required to keep the organization going and the output it provides. Input refers to what is put into a business to operate properly, such as costs, employees and time while output refers to what is put out or gained, such as rapid development times, quality, revenue, customer acquisition and customer retention.

According to Kalluru and Bhat (2009), operational efficiency is the proficiency of a corporation to curtail the unwelcome and maximize resource capabilities so as to deliver quality products and services to customers. An organizational operational efficiency depends on factors like skillful and proficient workers, proper technological progression, proper procurement carry out, return to scale of the businesses, supply chain controlling among many others. Operational efficiency is the relationship between an organization’s output and input, that when healthy, helps businesses cut down on unnecessary costs while increasing revenue. It’s what businesses strive to do: produce a high-quality product at scale with as few resources as possible. Relatively, more efficient firms tend to maintain more stability levels in terms of output and operating performance compared to their other industry peers (Mills & Schumann, 2015). Operational efficiency is a metric that compares a company's profit with the cost required to make that profit.

### **Cost Reduction**

Cost reduction is the process of decreasing a company's expenses to maximize profits. It involves identifying and removing expenditures that do not provide added value to customers while also optimizing processes to improve efficiency. Cost reduction typically focuses on generating short-term savings. Cost reduction is the process used by companies to reduce their costs and increase their profits. Depending on a company’s services or products, the strategies can vary. Every decision in the product development process affects cost: design is typically considered to account for 70–80% of the final cost of a project such as an engineering project or the construction of a building. Chartered Institute of Management Accountants (CIMA) (1995), London defined cost reduction as the achievement of real and permanent reduction in the unit cost of goods manufactured or services rendered without damaging the ability of the product to serve the purpose for which it was intended. According to Gaurav, Jain, Kapoor and Nateriya (2013), cost reduction is "the way toward searching for, finding and expelling baseless costs from a business to build the benefit without negatively affecting item quality". Cost reduction strategies such as value engineering and value analysis, tight budgetary control (budget discipline), target costing and life cycle costing can be adopted by manufacturing companies to reduce the material cost, labor cost and productivity cost attributed to manufacturing.

### **Resource Utilization**

According to organizational research, resource utilization is the efficient and effective utilization of an organization's resources when they are needed. It is the measure of how effectively team member's work. Specifically, it measures what percentage of a person's working time they spend on tasks that create billable value. Financial resources, inventory, human talents, and production resources are examples of such resources. Processes, approaches, and philosophies for allocating resources have been created in the field of project management. Business profitability is directly related to resource efficiency and optimal resource utilization. Most time, organizations that have difficulties with either or both of these core competencies characteristically experience wastages, cost overruns, schedule delays and unsatisfied customers (Project Coordinator, 2017).

The term "resource utilization" refers to the process of efficiently organizing and assigning employees and equipment for various projects or services while avoiding idle resources. Having knowledge about the availability of resources and when they will be available for the activity is critical for controlling costs and executing project activities smoothly. Resource utilization is always a priority metric for service businesses since how and where the resources are allocated will directly impact the overall performance of projects. Resource utilization rate offers real-time visibility and transparency into your projects, which means you are less likely to miss any important details and be more active towards catching errors before they develop into significant issues. According to Surbhi (2022), effective resource utilization rate provides managers with a comprehensive understanding of proactive capacity planning. It means that if a project demands the involvement of any other resource, then managers get ample time to procure another resource via internal or external channels.

### **Operational Flexibility**

Flexibility is the ability to adapt to volatile customer demands is an ever-important customer service element (Üstündag & Ungan, 2020; Kumar & Singh, 2020; Mishra, 2020; Evers *et al.*, 2018; Manders *et al.*, 2017). Flexibility is a broad term with little consensus as to its definition (Mishra, 2020). This is related to that it can reflect different organizational levels and different types – defined as sets of situations for which flexibility is required (Abdelilah *et al.*, 2018). Therefore, flexibility should be studied in a precise way (Engelhardt-Nowitzki, 2012). Flexibility can be found on different levels; reflecting long-term, systematic changes in customers' aggregated demand on a strategic level, or reflecting stochastic, unpredictable, short-term changes on an operational level (Kumar & Singh, 2020). Liao (2020) claims that flexibility often is understood as linked to processes on an operational level. On an operational level, customers directly experience supplier flexibility related to orders in the order-to-delivery (OTD) process (Forslund *et al.*, 2021). As compared to manufacturing processes, OTD processes have received little research attention, given their relation to customers' purchasing experience (Brabazon & McCarthy, 2017). Delivery Flexibility is the organization's ability to change planned deliveries (Beamon, 2019). It could also be the case of fixing a delivery date to a certain day and adjusting the lead times accordingly (Acharya & Singh, 2013).

### **Empirical Review**

Choongo (2017) examined the impact of CSR on firm performance in Zambian SMEs using a longitudinal analysis. Data were collected at two time-points, 12 months apart. Thus, longitudinal analysis of the association between CSR and the three indicators of firm performance (financial performance, corporate reputation and employee commitment) were

conducted. The analysis of the results reported in this study show that the two dimensions of CSR (social and environmental) significantly impact financial performance. However, the association between the two dimensions of CSR (corporate reputation and employee commitment) and the other two measures of firm performance only turned out to be partially significant. The researcher found that the relationship between CSR and financial performance is significant and fully supported.

Rongoei and Muturi (2018) also did a study to investigate the effect of corporate social responsibility on organizational performance. The study used the case of Sony and Chemelil Sugar Factories, Kenya. Four specific objectives formed the basis of the study; to establish the effects of philanthropic, ethical, economic and legal activities on organization performance. The study adopted descriptive statistics. Multiple regression analysis was conducted and one of the findings of the study was that respondents strongly agreed ethical activities have a positive effect on organizational performance. Further that in the context then, the subject of organizational ethics had assumed a particular importance because corporations establish a dependent relationship with the society where they belong and their image toward their stakeholders can be seen as an important matter.

Additionally, Kinyanjui, Juma, Njeru and Onyango (2018) did a study on the influence of legal and ethical CSR strategy on performance of public universities in Kenya. The aim of the study was to establish whether engaging in legal and ethical CSR practices would influence the performance of the Public sector institutions in Kenya. The study hypothesized that legal and ethical CSR strategies did not significantly influence performance of Public Universities in Kenya. The study adopted a descriptive survey design. The targeted population constituted the 31 Chartered Public Universities in Kenya. Out of these, five Universities were selected. Using purposive sampling, a sample size of 202 participated in the study. The results showed that legal and ethical practices positively contribute to organizational performance of Public Universities. Thereafter, the study recommended that increased focus on organizational legal and ethical practices would significantly increase the performance of public sector organizations (Kinyanjui *et al.*, 2018).

Isingiwe and Gathiru (2024) investigated the abstract impacts of ethical practices on the organizational performance of Prime Life Insurance, a prominent player in the insurance sector in Rwanda. Through a comprehensive case study approach, data were gathered from primary sources including interviews, surveys, and organizational documents. Secondary data from relevant literature were also utilized for theoretical grounding. Descriptive survey methodology was utilized in conjunction with qualitative and quantitative data analysis for this study. The study's target population comprised 63 personnel employed at the headquarters of Prime Insurance Company. A census methodology was utilized for this investigation. The research employed a combination of primary and secondary sources of information. Findings from this research offer valuable insights into the broader discourse on ethics in profit-driven projects and their tangible impact on organizational success.

## METHODOLOGY

The researcher adopted cross-sectional design, which is a type of quasi-experimental research design. The population of this study consisted of thirteen (13) food and beverage manufacturing

firms in Port Harcourt, Rivers State. The entire population of thirteen (13) food and beverage manufacturing firms in Port Harcourt, Rivers State was studied as sample using Census method. The research data for the study was collected mainly from the primary source. The main data collection instrument for this study was a structured questionnaire. The researcher used face validity by submitting a drafted copy of the questionnaire to the supervisors who are experts in the field of Management. To ascertain the reliability of the instrument, the Cronbach alpha coefficient was adopted in assessing the reliability of the study instrument. Hypotheses 1 to 3 were tested with Spearman’s Rank Correlation Coefficient ( $r^o$ ).

**DATA ANALYSIS AND DISCUSSION OF FINDINGS**

The following results were obtained from the study:

**Relationship between Ethical Responsibility and the Measures of Operational Efficiency**

**Table 1: Correlations Matrix for Ethical Responsibility and the Measures of Operational Efficiency**

|                            |                           |                 | Ethical<br>responsibil<br>ity | Cost<br>reduction | Resource<br>utilizatio<br>n | Operation<br>al<br>flexibility |
|----------------------------|---------------------------|-----------------|-------------------------------|-------------------|-----------------------------|--------------------------------|
| Spearman’s<br>rho          | Ethical<br>responsibility | Correlation     | 1.000                         | .557**            | .647**                      | .652**                         |
|                            |                           | Coefficient     |                               |                   |                             |                                |
|                            |                           | Sig. (2-tailed) | .                             | .000              | .000                        | .000                           |
|                            |                           | N               | 50                            | 50                | 50                          | 50                             |
|                            | Cost<br>reduction         | Correlation     | .557**                        | 1.000             | .680**                      | .669**                         |
|                            |                           | Coefficient     |                               |                   |                             |                                |
|                            |                           | Sig. (2-tailed) | .000                          | .                 | .000                        | .000                           |
|                            |                           | N               | 50                            | 50                | 50                          | 50                             |
|                            | Resource<br>utilization   | Correlation     | .647**                        | .680**            | 1.000                       | .750**                         |
|                            |                           | Coefficient     |                               |                   |                             |                                |
|                            |                           | Sig. (2-tailed) | .000                          | .000              | .                           | .000                           |
|                            |                           | N               | 50                            | 50                | 50                          | 50                             |
| Operational<br>flexibility | Correlation               | .652**          | .669**                        | .750**            | 1.000                       |                                |
|                            | Coefficient               |                 |                               |                   |                             |                                |
|                            | Sig. (2-tailed)           | .000            | .000                          | .000              | .                           |                                |
|                            | N                         | 50              | 50                            | 50                | 50                          |                                |

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

Source: Research Data 2025 and SPSS Output version 21.0

Table 1 illustrates the test for the last three previously postulated bivariate hypothetical statements. The results are stated below:

**H<sub>01</sub>:** There is no significant relationship between ethical responsibility and cost reduction of food and beverage manufacturing firms in Port Harcourt, Rivers State.

The result as depicted in table 1 revealed that there is a moderate and positive relationship between ethical responsibility and cost reduction of food and beverage manufacturing firms in Port Harcourt, Rivers State. The data indicates that ethical responsibility is significantly associated with cost reduction (where rho=.557 and P<0.05). The finding suggests that ethical

responsibility enhances operational efficiency which is measured in terms of cost reduction. Hence on the basis of the result, the null hypothesis ( $H_{01}$ ) is rejected and the alternate accepted.

**H<sub>02</sub>:** There is no significant relationship between ethical responsibility and resource utilization of food and beverage manufacturing firms in Port Harcourt, Rivers State.

The result as depicted in table 1 revealed that there is a strong and positive relationship between ethical responsibility and resource utilization of food and beverage manufacturing firms in Port Harcourt, Rivers State. The data indicates that ethical responsibility is significantly associated with resource utilization (where  $\rho=.647$  and  $P<0.05$ ). The finding suggests that ethical responsibility enhances operational efficiency which is measured in terms of resource utilization. Hence on the basis of the result, the null hypothesis ( $H_{02}$ ) is rejected and alternate accepted.

**H<sub>03</sub>:** There is no significant relationship between ethical responsibility and operational flexibility of food and beverage manufacturing firms in Port Harcourt, Rivers State.

The result as depicted in table 1 revealed that there is a strong and positive relationship between ethical responsibility and operational flexibility of food and beverage manufacturing firms in Port Harcourt, Rivers State. The data indicates that ethical responsibility is significantly associated with operational flexibility (where  $\rho=.652$  and  $P<0.05$ ). The finding suggests that ethical responsibility enhances operational efficiency which is measured in terms of operational flexibility. Hence on the basis of the result, the null hypothesis ( $H_{03}$ ) is rejected and the alternate accepted.

### **Discussion of Findings**

The result as depicted in table 4.1 revealed that there is a strong and positive relationship between ethical responsibility and measures of operational efficiency (cost reduction, resource utilization, operational flexibility) of food and beverage manufacturing firms in Port Harcourt, Rivers State with  $\rho$  value of .757, .647, .671 at  $P<0.05$  respectively. This is consistent with studies highlighting the positive association between ethical behavior and long-term financial success (Ferrell, Fraedrich, & Ferrell, 2019). The result also aligns with research highlighting the link between ethical behavior and positive market outcomes (Brown & Treviño, 2016). Ethical practices are seen as valuable assets that can enhance the organization's market standing, attract investors, and contribute to long-term financial success. The high mean score and low standard deviation indicate a strong consensus among respondents, emphasizing the perceived significance of ethical decision-making in relation to market capitalization. The result further aligns with the study of Rongoei and Muturi (2018) who found a positive effect of ethical activities on organizational performance. Additionally, Kinyanjui, Juma, Njeru and Onyango (2018) did a study on the influence of legal and ethical CSR strategy on performance of public universities in Kenya. The results showed that legal and ethical practices positively contribute to organizational performance of Public Universities.

### **CONCLUSION AND RECOMMENDATIONS**

The research study analyzed the effect of ethical responsibility on operational efficiency of food and beverage manufacturing firms in Port Harcourt, Rivers State. The results of the study provide both empirical and statistical evidences on the effect of the independent variable on the dependent variable measured by cost reduction, resource utilization, operational flexibility. From the empirical findings the research study concluded that ethical responsibility has a significant

influence on operational efficiency of food and beverage manufacturing firms in Port Harcourt, Rivers State. Based on the findings, it is recommended that Management of food and beverages firms in Port Harcourt, Rivers State should consolidate on their community relations activities such as scholarships, donations, community health care programs, skills acquisition programs etc. these enhances the image of the firm in the public view and this can translate to future profit and capital investment.

## REFERENCES

- Abdelilah, B., El Korchi, A. & Balambo, M.A. (2018). Flexibility and agility: Evolution and relationship. *Journal of Manufacturing Technology Management*, 29(7), 1138-1162.
- Acharya, K. & Singh, E. (2013). The effect of entrepreneurial marketing on firm's innovative performance in Turkish SMEs. *Journal of Science and Behavioural Sciences*, 58, 811 – 878.
- Beamon, E. O. (2016). The relationship between market orientation and firm performance. *European Journal of Business and Management*, 8(32), 127-134.
- Berger, A. N., Hunter W, C. & Timme S. G. (2013). The efficiency of financial institutions: A review and preview of research past, present, and future. *Journal of Banking and Finance*, 17, 221-249.
- Brabazon, P.G. & MacCarthy, B.L. (2017). The automotive order-to-delivery process: How should it be configured for different markets? *European Journal of Operational Research*, 263, 142-157.
- Carroll, A. B. (2021). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39-48.
- Choongo, P. (2017). A longitudinal study of the impact of corporate social responsibility on firm performance in SMEs in Zambia. Department of Management and Organization, VU University: Amsterdam-The Netherlands.
- Clarkson, P.J. (2015). History of inclusive design in the UK. *Applied Ergonomics*, 46, 235-247.
- Donaldson, T., & Preston, L. E. (2015). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20(1), 65–91.
- Engelhardt-Nowitzki, C. (2012). Improving value chain flexibility and adaptability in build-to order environments. *International Journal of Physical Distribution & Logistics Management*, 42(4), 318-337.
- Eyers, D.R., Potter, A.T., Gosling, J. & Naim, M.M. (2018). The flexibility of industrial additive manufacturing systems. *International Journal of Operations and Production Management*, 38 (12), 2313-2343.
- Forslund, H., Jonsson, P. & Mattsson, S.A. (2021). Supplier flexibility in the order-to-delivery process – a customer perspective. *International Journal of Physical Distribution and Logistics Management*, 51(1), 4-24.
- Gaurav, H. Y., Jain, K. R., Kapoor, M., & Nateriya, R. (2013). Cost reduction in different disciplines. *International Journal of Current Research*, 5(10), 2821-2825.
- Isingiwe, B. & Martin, K. G. (2024). Impacts of ethical practices on the organizational performance in profit-focused projects in Rwanda. A case study of prime life insurance. *The Strategic Journal of Business & Change Management*, 11(1), 731 – 743
- Isingiwe, B. & Martin, K. G. (2024). Impacts of ethical practices on the organizational performance in profit-focused projects in Rwanda. A case study of prime life insurance. *The Strategic Journal of Business & Change Management*, 11(1), 731 – 743

- Jones, T. M. (2021). Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, 16(2), 366-395.
- Kalluru, S., & Bhat, K. (2009). Determinants of cost efficiency of commercial banks in India. *ICFA Journal of Bank Management*, 8(2), 32-50.
- Kinyanjui, J. N., Juma, D., Njeru, A. & Onyango, J. (2018). Influence of legal and ethical CSR strategy on performance of public universities in Kenya. *The Strategic Journal of Business & Change Management*, 5 (4).
- Kinyanjui, J. N., Juma, D., Njeru, A. & Onyango, J. (2018). Influence of legal and ethical CSR strategy on performance of public universities in Kenya. *The Strategic Journal of Business & Change Management*, 5 (4).
- Kumar, P. (2020). Green service production in healthcare and role of value chain flexibility. *International Journal of Productivity and Performance Management*, 69(8), 1721-1742.
- Liao, Y. (2020). An integrative framework of supply chain flexibility. *International Journal of Productivity and Performance Management*, 69 (6), 1321-1342.
- Manders, J.H.M., Caniëls, M.C.J. & Ghijsen, P.W.T. (2017). Supply chain flexibility: A systematic literature review and identification of directions for future research. *International Journal of Logistics Management*, 28(4), 964-1026.
- Mayer, D. M., Kuenzi, M., Greenbaum, R., Bardes, M., & Salvador, R. (2016). How low does ethical leadership flow? Test of a trickle-down model. *Organizational Behavior and Human Decision Processes*, 137, 1-15.
- Mills, D. E. & Schumann, L. (2015). Industry structure with fluctuating demand. *American Economic Review*, 75, 758-757.
- Mishra, R. (2020). Empirical analysis of enablers and performance outcome of manufacturing flexibility in an emerging economy. *Journal of Manufacturing Technology Management*, 31(6), 1301-1322.
- Mitchell, G. E. (2017). Fiscal leanness and fiscal responsiveness: Exploring the normative limits of strategic nonprofit financial management. *Administration & Society*, 49, 1272-1296.
- Rongoei, G. C. & Muturi, W. (2018). Effect of corporate social responsibility on organizational performance: A case of Sony and Chemelil sugar factories, Kenya. *International Journal of Social Sciences and Information Technology*, 4 (2).
- Ustundag, A. & Urgan, M.C. (2020). Supplier flexibility and performance: An empirical research. *Business Process Management Journal*, 26(7), 1851-1870.