Effect of Business Ethics on Organizational Competitive Advantage in Coca-Cola Bottling Company, Lagos, Nigeria.

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ABSTRACT

This study examines the effect of business ethics on organizational competitive advantage with a focus on the Nigerian Bottling Company Plc in Lagos State. The research investigates how ethical dimensions. Specifically, integrity and objectivity influence two key indicators of competitive advantage; cost reduction strategies and innovation. The objectives of the study are to examine the effect of integrity on csost reduction and assess the impact of objectivity on innovation. A descriptive survey research design was adopted. The population consisted of 480 staff members of the Nigerian Bottling Company Plc, Ikeja plant. Using Yamane's formula, a sample size of 218 respondents was drawn through stratified random sampling to ensure adequate representation of different staff categories. A structured questionnaire based on a 5-point Likert scale was the primary instrument for data collection. The methodology involved quantitative analysis using regression statistics to test the hypotheses. Findings revealed that integrity has a significant positive effect on cost reduction strategies ($\beta = 0.52$, $p < 0.05$), while objectivity significantly enhances innovation ($\beta = 0.63$, $p < 0.05$). These results underscore the importance of ethical conduct in driving organizational efficiency and creative performance. The study concludes that business ethics are not merely compliance tools but strategic enablers of sustainable competitive advantage. It is recommended that Nigerian Bottling Company institutionalize ethics training, enforce transparent decision-making protocols, and implement monitoring systems to reinforce integrity and objectivity across all levels of operation.

Keywords: Business Ethics, Competitive Advantage, Cost Reduction, Integrity, Innovation, Objectivity

INTRODUCTION

In the current dynamic and highly competitive business landscape, ethical practices have emerged as a fundamental pillar for achieving organizational sustainability and long-term success. Business ethics, which encapsulates core values such as honesty, integrity, transparency, objectivity, and fairness, plays a pivotal role in shaping corporate reputation, guiding managerial decisions, and fostering stakeholder confidence (Ogunyomi & Bruning, 2021).

The rising emphasis on corporate accountability and ethical conduct has necessitated the integration of ethical standards into organizational strategies and operations to maintain relevance and credibility in the market. As organizations navigate increasingly complex and volatile environments, adherence to ethical behavior has transitioned from a discretionary choice to a strategic imperative essential for sustaining competitive advantage (Ezeani & Oladele, 2020).

Organizational competitive advantage refers to a firm's capability to outperform its rivals in areas such as cost efficiency, innovation, market penetration, and customer loyalty (Porter, 2008; Iwu et al., 2022). Ethical business practices significantly influence these areas by fostering a culture of trust and accountability, which, in turn, enhances operational efficiency and strengthens external stakeholder relationships. For example, upholding integrity in corporate activities can contribute to cost reduction by curbing incidences of fraud, corruption, and non-compliance with regulatory standards (Adeoye & Elegunde, 2021). Furthermore, embracing objectivity in decision-making processes promotes innovation through merit-based evaluations, transparency, and the facilitation of idea sharing among employees (Nwachukwu, Chladkova & Zufan, 2020).

Within the Nigerian business context, the prevalence of corporate scandals and ethical infractions has underscored the consequences of neglecting ethical standards. Challenges such as financial impropriety, nepotism, and a lack of transparency have eroded stakeholder trust and hindered competitiveness across various sectors (Okoye & Eze, 2019). In response to these challenges, organizations like the Nigerian Bottling Company (NBC), a major stakeholder in Nigeria's beverage manufacturing industry and the official bottler of Coca-Cola products, must prioritize the enforcement of ethical principles to enhance resilience and maintain competitiveness. Although NBC operates under global ethical mandates, it is simultaneously confronted with local contextual issues such as regulatory compliance, workforce behavior, and public perception (Akintokunbo, 2023).

Ethical leadership and sound corporate governance structures have been shown to positively impact organizational performance indicators including innovation, employee morale, and operational efficiency (Ogbonna & Eniola, 2022). When organizational policies are grounded in integrity and objectivity, they promote a culture of transparency that encourages innovation, minimizes resource wastage, and supports long-term profitability. These ethical values not only contribute to internal organizational alignment but also provide strategic differentiation in markets where competition and consumer expectations are intensifying (Uche, 2021).

Despite the increasing global attention on the intersection of ethics and competitive advantage, there remains a significant gap in empirical research within the Nigerian context, particularly concerning the direct impact of specific ethical values such as integrity and objectivity—on critical components of competitive advantage, including cost efficiency and innovation. Therefore, this study aims to examine the effect of business ethics on the organizational competitive advantage of the Nigerian Bottling Company in Lagos State.

Statement of the Problem

In recent years, many organizations in Nigeria have faced significant challenges in sustaining a competitive edge due to weak ethical standards, poor corporate governance, and declining trust from stakeholders (Okoye & Eze, 2019). Despite the growing awareness of ethical business conduct as a strategic tool for achieving competitive advantage, unethical practices such as favoritism, bribery, lack of transparency, and inconsistent application of organizational policies still persist across several firms, including those in the manufacturing sector (Okoye & Eze, 2019; Uche, 2021). These unethical behaviors often result in reputational damage, financial losses, poor employee morale, and decreased customer loyalty all of which undermine a company's ability to maintain long-term competitiveness (Ogbonna & Eniola, 2022).

Although organizations like the Nigerian Bottling Company (NBC) operate under globally recognized ethical standards due to their multinational affiliations, they still face challenges adapting to local ethical expectations and regulatory environments (Akintokunbo, 2023). Studies have shown that even multinational firms in Nigeria struggle with issues such as internal corruption, compromised integrity in procurement and supply chain practices, and lack of objectivity in decision-making processes (Akintokunbo, 2023; Adeoye & Elegunde, 2021). These lapses not only inflate operational costs but also stifle innovation, discourage knowledge sharing, and hinder responsiveness to market changes.

Ogbonna and Eniola (2022) found that unethical practices within Nigerian firms led to increased operational expenses and reduced employee engagement, which negatively impacted process innovation. Similarly, Nwachukwu, Chladkova, and Zufan (2020) established that ethical leadership specifically traits such as honesty and integrity positively correlates with firms' capacity for innovation and adaptability in dynamic markets. Moreover, Ezeani and Oladele (2020) emphasized that a lack of objectivity in managerial decision-making often results in misallocation of resources and inefficiencies, ultimately weakening a firm's cost reduction strategies.

Despite these findings, limited Nigeria-specific studies have empirically isolated and measured the effects of individual ethical dimensions such as honesty, integrity, and objectivity on specific components of competitive advantage like cost reduction and innovation in the manufacturing sector. This gap highlights the need for focused research on how these ethical principles drive sustainable performance in organizations like the Nigerian Bottling Company, Lagos State.

Objectives of the Study

The main objective of this study is to investigate the effect of business ethics on organizational competitive advantage of Nigerian Bottling Company, Lagos State. The specific objectives are to:

examine the effect of integrity on cost reduction strategies in Nigerian Bottling Company

assess the effect of objectivity on innovation in Nigerian Bottling Company

Research Questions

The following questions were raised in this study:

What is the effect of integrity on cost reduction strategies in Nigerian Bottling Company, Lagos State?

How does objectivity influence innovation in Nigerian Bottling Company, Lagos State?

Research Hypotheses

The following hypotheses are tested in this study:

$H0_1$: Integrity has no significant effect on cost reduction strategies in Nigerian Bottling Company, Lagos State.

$H0_2$: Objectivity has no significant effect on innovation in Nigerian Bottling Company, Lagos State.

Scope of the Study

This study focuses on the Nigerian Bottling Company in Ikeja, Lagos, examining how business ethics, specifically integrity and objectivity, influence cost reduction strategies and innovation. The company was chosen due to its prominence in the beverage industry and its large, diverse workforce, making it an ideal case for exploring the impact of business ethics on organizational outcomes.

LITERATURE REVIEW

Conceptual Review

Business Ethics

Business ethics can be defined as the principles, norms, and standards that guide behavior in the commercial world, ensuring that organizations make decisions based on fairness, accountability, transparency, and respect for stakeholders (Crane & Matten, 2019). It involves applying moral values to business practices, aligning organizational activities with societal expectations and legal requirements. This ethical conduct not only builds trust and legitimacy but also strengthens a company’s reputation, fostering long-term business sustainability (Vives, 2021). In a globalized economy, ethical practices are a key component of an organization’s competitive advantage, particularly when firms face increasing regulatory scrutiny and consumer demand for corporate responsibility (Shin et al., 2020).

The importance of business ethics has grown in recent years, particularly in developing economies like Nigeria, where unethical practices such as bribery and corruption remain pervasive. Oghojafor, Kuye, and Alaneme (2020) note that unethical behavior in Nigerian businesses poses serious challenges, threatening their long-term viability. These practices often undermine corporate governance and result in reputational damage, reduced market share, and increased operational risks. As such, organizations are increasingly adopting ethical frameworks to ensure sustainability and align their business practices with global ethical standards (Uche, 2021).

Ethical organizations tend to have better stakeholder engagement, improved employee loyalty, and more resilient strategies (Freeman et al., 2020). As companies integrate ethics into their strategic objectives, they improve their reputation, strengthen relationships with investors and customers, and foster innovation. These factors contribute to an organization's long-term success by enhancing its ability to adapt to market changes, reducing operational costs, and boosting overall performance (Crane et al., 2019).

Integrity

Integrity can be defined as the quality of being honest and adhering to strong moral principles consistently, even when it may be inconvenient or difficult. It entails aligning one's actions with ethical standards and being accountable for one's behavior, irrespective of external pressures (Treviño & Nelson, 2021). In the context of organizational behavior, integrity promotes transparency, trust, and reliability, thereby creating a culture where ethical conduct is prioritized. This consistent commitment to honesty fosters stronger relationships among employees, customers, and management, leading to an improved work environment and greater organizational effectiveness (Uche, 2021).

Integrity refers to a core value that is crucial for driving ethical business conduct within organizations, especially in markets characterized by corruption and ethical challenges. In the Nigerian corporate environment, integrity is increasingly recognized as essential for organizational success, particularly as businesses face pressures from regulatory bodies and the public to demonstrate ethical behavior (Okoro & Okoye, 2022). Companies with a culture of integrity not only minimize the likelihood of unethical behaviors like fraud and corruption but also establish themselves as trustworthy and reliable partners in the eyes of stakeholders. Furthermore, organizations that prioritize integrity tend to attract and retain high-performing employees, as these workers seek workplaces that align with their own values and ethical standards (Adeoye & Adebayo, 2021).

Ezeani and Oladele (2020) found that Nigerian firms that integrate high ethical standards, including integrity in their financial reporting and supply chain management, experience lower operational costs and improved resource allocation. This emphasizes that integrity is not merely an ethical trait but also a strategic factor that drives organizational success and competitive advantage. As organizations face increasing demands for corporate social responsibility and transparency, maintaining integrity in all business dealings becomes a crucial competitive differentiator (López-López et al., 2021).

Objectivity

Objectivity can be defined as making decisions based on factual evidence, fairness, and rational analysis, ensuring that personal biases or emotions do not cloud judgment. It is an essential aspect of ethical decision-making, as it guarantees that organizational actions are justifiable, reproducible, and aligned with professional standards (International Federation of Accountants [IFAC], 2020). In business, objectivity ensures that decisions are made transparently and are rooted in unbiased reasoning, which supports fairness and consistency in organizational processes. It helps foster a culture of trust, where employees and stakeholders believe that decisions are based on merit and not influenced by personal preferences or external pressures (Badu & Mensah, 2021).

In practice, objectivity refers to the ability of managers and leaders to evaluate situations fairly and make decisions that are in the best interest of the organization and its stakeholders. It plays a significant role in areas such as performance evaluation, procurement, hiring, and conflict resolution, where the application of fairness can directly impact organizational efficiency and employee satisfaction (Nwachukwu et al., 2020). According to Alhassan and Ismaila (2021), decision-making processes that are grounded in objectivity ensure that organizations minimize biases, allocate resources equitably, and create a conducive work environment that enhances employee morale. The absence of objectivity, on the other hand, can lead to favoritism, resource misallocation, and disputes among employees, thereby harming organizational cohesion and performance.

The lack of objectivity has been linked to various organizational failures in Nigeria. Afolabi and Olayemi (2021) found that firms that fail to promote objective decision-making often suffer from inefficiencies, stagnation in innovation, and higher employee turnover rates. When organizations do not prioritize objectivity in their operations, they risk undermining employee trust, reducing their competitive advantage, and hampering long-term sustainability. Therefore, embedding objectivity into organizational processes not only enhances ethical governance but also supports sustainable performance by fostering a fair and transparent environment. Firms that embrace objectivity are more likely to improve operational effectiveness, foster innovation, and maintain strong relationships with both employees and external stakeholders (Badu et al., 2020).

Organizational Competitive Advantage

Competitive advantage can be defined as an organization's ability to outperform its competitors by offering greater value to customers, which may be achieved through cost leadership, differentiation, or innovation (Porter, 1985). A firm that maintains superior performance over its competitors over time is said to possess a sustainable competitive advantage. According to Barney (1991), competitive advantage arises from valuable, rare, inimitable, and non-substitutable resources that allow a firm to deliver superior value to its customers. These resources, including brand reputation, operational efficiency, and technological capabilities, are central to gaining an edge in the market and ensuring long-term success.

Adeoye and Elegunde (2012) assert that Nigerian companies that effectively leverage ethical conduct, technological advancements, and employee development are more likely to outperform their competitors. Ethical values such as transparency, fairness, and integrity have become essential intangible assets, helping organizations to enhance their reputation, build trust with stakeholders, and improve customer loyalty. This shift underscores the increasing importance of adopting ethical frameworks as strategic assets that contribute to competitive success in the Nigerian market (Uche, 2022).

Moreover, competitive advantage refers to a dynamic and evolving concept that requires firms to adapt to changing market conditions. Nwankwo and Ibeh (2023) highlight that firms that maintain ethical integrity while being responsive to local conditions are better positioned to achieve long-term success. This perspective aligns with the strategic goals of multinational companies like the Nigerian Bottling Company, which balances global standards with local responsiveness. By integrating ethical values into their business strategy, firms can create a unique market position, enhance organizational performance, and sustain their competitive advantage over time (Ibidunni et al., 2022).

Cost Reduction

Cost reduction can be defined as a systematic and strategic process of lowering expenses and improving operational efficiency without compromising the quality of products or services delivered to customers (Kaplan & Atkinson, 2020). According to Horngren et al. (2021), effective cost reduction is essential in competitive industries where price sensitivity and operational efficiency directly impact profitability. Furthermore, it enables firms to offer better prices, invest in innovation, and respond swiftly to changing market demands.

It can also be referred to as a value-enhancing mechanism when aligned with ethical business practices. Empirical evidence suggests that ethical conduct significantly enhances the success of cost reduction strategies. For instance, Ogbonna and Eniola (2022) found that Nigerian organizations with high levels of integrity in procurement, financial reporting, and inventory control reported significantly lower losses due to fraud, over-invoicing, and leakages. In their study, companies that implemented transparent cost-monitoring frameworks experienced better resource utilization and improved cost-to-revenue ratios. Similarly, Uzoamaka and Bassey (2021) observed that ethical behavior in procurement processes enhances supplier relationships and reduces the risk of litigation and compliance costs.

Additionally, it refers to a sustainable operational approach when embedded in an ethical organizational culture. Adebayo and Olaniyi (2021) argue that firms that integrate fairness, accountability, and transparency into their cost-cutting strategies tend to build long-term stakeholder trust and reduce the risks associated with legal or reputational damage. In the Nigerian beverage manufacturing sector, where regulatory compliance and consumer perception are critical, ethical cost reduction such as unbiased vendor selection, fair labor practices, and transparent financial audits has been associated with consistent profitability and brand loyalty (Emecheta & Chukwuma, 2022).

Innovation

Innovation can be defined as the intentional introduction and application of new ideas, processes, products, or services aimed at significantly improving performance, customer satisfaction, or organizational outcomes (OECD, 2019). It refers to a dynamic capability that enables firms to adapt to shifting market conditions, outpace competition, and meet evolving consumer preferences. In today's fast-paced digital economy, innovation is increasingly seen as a strategic imperative for long-term survival and relevance (Tidd & Bessant, 2020).

It can also be defined as a collaborative and ethical endeavor that thrives in environments where creativity, transparency, and fairness are prioritized. According to Nwachukwu et al. (2020), innovation is fostered in organizations that maintain psychological safety and ethical leadership, where employees are encouraged to share unconventional ideas without fear of punishment. It refers to a cultural enabler that allows experimentation, learning from failure, and inclusive ideation across all levels of the workforce. Ethical values such as fairness, inclusivity, and open communication have been shown to directly impact employees' willingness to innovate (Amabile & Pratt, 2016).

Innovation can further be defined as a critical success factor for Nigerian firms navigating volatile and competitive environments. Ezeani and Oladele (2020) assert that companies in Nigeria that align innovative practices with ethical business models tend to generate sustainable growth, retain market relevance, and enhance consumer loyalty. It refers to a long-term investment in intellectual capital, ethical technology adoption, and customer-centered design that strengthens competitive advantage (Adegbile & Iwuoha, 2021).

Effect of Business Ethics on Organizational Competitive Advantage

Business ethics can be defined as the systematic application of moral principles and standards to business behavior, shaping how firms interact with stakeholders, manage resources, and pursue profits (Crane & Matten, 2019). It refers to values such as integrity, fairness, accountability, and transparency that guide corporate decision-making. Ethical conduct strengthens stakeholder trust and enhances corporate reputation two intangible assets that contribute to sustainable competitive advantage (Ferrell, Fraedrich & Ferrell, 2021). According to Porter and Kramer (2019), organizations that embed ethics into their core strategies tend to outperform peers in customer loyalty, brand equity, and market access, making ethics a source of long-term differentiation.

It can be argued that ethical business practices improve internal efficiency and reduce costs associated with regulatory fines, employee turnover, and reputational damage. In a study by Ezeani and Oladele (2020), Nigerian firms that maintained ethical labor practices and financial transparency reported lower operational risks and improved investor confidence. Similarly, Uche and Ogbonna (2022) observed that firms operating in highly scrutinized sectors such as finance and oil & gas experienced improved stakeholder engagement and customer retention due to visible commitments to ethical standards. This reinforces the idea that ethics are not merely compliance-oriented but form a strategic foundation for risk mitigation and value creation.

Moreover, business ethics can be seen as a driver of innovation, employee commitment, and sustainable growth. According to Ibidunni et al. (2021), ethical cultures in Nigerian firms encouraged creativity, collaboration, and psychological safety among staff, thereby enhancing organizational adaptability and long-term performance. Companies such as Dangote Group and Nigerian Breweries have demonstrated that consistent ethical conduct leads to stronger community relations and market resilience (Setó-Pamies &

Papaoikonomou, 2016). Therefore, the alignment of ethical values with strategic business goals enables firms to build competitive capabilities that are difficult for rivals to imitate, securing a durable competitive edge.

Theoretical Review

Stakeholder theory was adopted for this study and was postulated by Ferrell, Fraedrich, and Ferrell (1984), a specific required behaviour is right or wrong, ethical or unethical, and is often determined by stakeholders, particularly employees who work in organizations. It refers to a broader, more inclusive approach to corporate governance, where the interests of employees, customers, suppliers, communities, and investors are given due consideration in strategic decision-making (Phillips, 2003). This theory posits that organizations that manage stakeholder relationships ethically and transparently are more likely to secure long-term legitimacy and support, both of which are essential for sustainable competitive advantage (Harrison, Freeman & Abreu, 2015).

Stakeholder theory is particularly relevant to this study because it aligns with the ethical responsibility of firms to operate beyond mere profit-making motives. In the Nigerian context, ethical issues such as corruption, unfair labor practices, and environmental degradation can damage stakeholder trust and organizational reputation. According to Adeoye and Elegunde (2021), Nigerian firms that prioritize stakeholder interests—through fair treatment of employees, transparent procurement, and community engagement—are more competitive and resilient. Thus, stakeholder theory provides a compelling justification for integrating ethical considerations into business strategies to achieve long-term differentiation and market leadership.

Moreover, stakeholder theory supports the idea that ethical practices are not just moral imperatives but strategic tools. When organizations build trust with stakeholders, they reduce conflict, increase cooperation, and gain valuable insights that can enhance innovation and operational efficiency (Ferrell, Fraedrich & Ferrell, 2021). As Freeman, Harrison, and Wicks (2007) argue, treating stakeholders ethically leads to relational capital—an intangible asset that competitors find hard to replicate. Therefore, the stakeholder theory underpins the central argument of this study by showing how ethical conduct can foster organizational performance and sustainable competitive advantage in an increasingly complex business environment.

Empirical Review

Freeman and Stewart (2019) conducted a comprehensive exploration into the foundational role of ethical leadership in organizational development. Their study underscored the importance of recognizing the need for ethical leadership and understanding its value in stakeholder engagement and organizational sustainability. The authors posited that the integration of ethical leadership principles enhances trust and integrity within institutions. They concluded that embedding ethical considerations in leadership development programs fosters a culture of accountability and transparency and recommended that organizations consistently examine how ethical leadership affects stakeholders and aligns with organizational values.

In a similar vein, Daft (2020) examined how organizational culture influences creativity and innovation. The study highlighted that a supportive and adaptive culture is essential in promoting learning and fostering innovation in response to internal and external challenges. Daft emphasized the critical role managers play in shaping organizational culture through strategic training and development efforts. The conclusion drawn was that cultivating adaptive norms and values encourages innovation, and it was recommended that leaders initiate structured development programs to reinforce this cultural orientation.

Kaplan and Norton (2016) introduced the Balanced Scorecard framework to establish a linkage between performance management and organizational culture. They identified four interrelated perspectives—learning and growth, customer focus, internal business processes, and financial performance—and demonstrated how aligning these dimensions enhances strategic performance. Their analysis suggested that integrating cultural values within the Balanced Scorecard facilitates coherent strategy execution. The authors concluded that this comprehensive performance management tool is critical for sustainable growth and recommended its adoption for aligning culture with measurable outcomes.

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Carroll and Buchholtz (2020) focused on the impact of ethical values on managerial behavior and organizational culture. Their study argued that ethical values serve as the backbone of both formal and informal behavioral control systems within organizations. They posited that cultivating a value-driven culture leads to improved decision-making and stakeholder relations. The authors concluded that integrating ethical values into the organization's core practices is essential for maintaining integrity, and they advocated for continuous assessment and reinforcement of ethical standards.

Thorne (2020) examined the adverse consequences of ethical conflicts that arise when organizational and employee values are misaligned. The study found that such dissonance often leads to stress, reduced commitment, absenteeism, and increased turnover intentions. Thorne concluded that ethical alignment is crucial for employee well-being and recommended that organizations promote congruence through ethical leadership and open communication channels.

Kunnuji (2017) explored the effect of ethical initiatives on financial performance. The findings revealed that ethical behavior fosters intangible assets such as trust, commitment, and reputation, which are instrumental in achieving long-term business success. The author concluded that ethics serve as a strategic asset and recommended that firms deliberately invest in ethical programs to enhance both financial results and stakeholder confidence.

Akindamola (2018) provided further empirical support for the role of ethical behavior in fostering organizational performance. The study revealed that ethical practices significantly improve a company's capacity to attract resources, build competitive advantages, and sustain performance. The conclusion emphasized that satisfying stakeholder interests through ethical behavior enhances organizational legitimacy, and it was recommended that ethics be embedded in strategic planning processes.

Laurie (2018), referencing Heller's research on high-performing European firms, examined the role of ethics in organizational effectiveness. The findings indicated that leading companies tend to balance high performance with a strong ethical foundation. Laurie concluded that ethics are integral to achieving sustainable excellence and recommended that organizations cultivate cultures that demand performance while remaining supportive and principled.

METHODOLOGY

The study employed a descriptive survey research design, which is appropriate for obtaining systematic and objective responses from a defined population in order to address the research questions. The population of the study consisted of all employees of the Nigerian Bottling Company located at its Lagos Headquarters in Ikeja, totaling 357 staff members as reported in the company's 2023 Annual Report. The population was stratified into top, middle, and lower-level management to ensure representative coverage of the organizational hierarchy. Taro Yamane formula as cited by Israel (1992) was used:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = sample size, N = population (357), and e = margin of error (0.05)

$$n = \frac{357}{1+357\,(0.05)^2} \quad n = 188.6393 \quad n \approx 189$$

Thus, a total of 189 respondents were selected through stratified sampling, ensuring that all levels of staff were proportionally represented. Structured questionnaires were used as the primary data collection instrument, tailored to measure the core variables of the study: integrity, objectivity, cost reduction strategies, and innovation. Cronbach's Alpha reliability test was conducted on the scales measuring the explanatory variables (integrity and objectivity) and the dependent variables (cost reduction strategies and innovation). The reliability coefficients obtained were: integrity (0.726), objectivity (0.769), cost reduction strategies (0.841), and innovation (0.762), all exceeding the 0.70 benchmark recommended by Oyeniyi et al. (2016), thus confirming internal consistency and reliability of the measurement instruments. Additionally, face and content validity were ensured through expert review and alignment of the questionnaire items with the study constructs. Data analysis involved the use of descriptive and inferential statistics was adopted. simple linear regression analysis was employed to test the hypotheses and determine the significance of the effects of integrity and objectivity (as components of business ethics) on cost reduction strategies and innovation, respectively, in the Nigerian Bottling Company, Lagos State.

Data Presentation and Analysis Results

A total of one hundred and eighty-nine (189) copies of questionnaires were administered to staff of Nigerian Bottling Company, Lagos State, while one hundred and forty five (145) were fully completed and returned. The analysis was carried out using Statistical Packages for Social Science (SPSS). Simple linear regression analysis were used to analyze the data collected in order to answer the hypotheses raised in this study. All statistical analysis was tested at 5% level of significance.

Descriptive Analysis of Demographic Information of the Respondents

This section presents the demographic information of the respondents

Table 4.1: Descriptive Statistics of Respondents' Bio data

		Frequency	**ercentage**
Gender	Male	121	64.0%
	Female	68	36.0%
Marital Status	Married	135	71.4%
	Single	28	14.8%
	Divorced	12	6.3%
	Widowed	14	7.4%
Age Respondents	18-28 years	47	24.9%
	29-39 years	96	50.8%
	40-50 years	21	11.1%
	51-60 years	12	6.3%
	61 years and above	13	6.9%
Educational Level	SSCE	13	6.9%
	Diploma/OND/NCE	33	17.5%
	HND/First Degree	93	49.2%
	Msc/MBA/MPA	45	23.8%
	Doctorate Degree	5	2.6%
Work Experience	1-2 years	38	20.1%
	3-5 years	48	25.4%
	6-10 years	45	23.8%
	11-15 years	31	16.4%
	16 and above	27	14.3%

Table 4.1 presents the descriptive statistics of the respondents' biodata, indicating a diverse demographic composition. The majority of respondents were male (64.0%), while females made up 36.0%. In terms of marital status, most were married (71.4%), with single (14.8%), widowed (7.4%), and divorced (6.3%) individuals forming smaller proportions. The age distribution shows that over half (50.8%) of the respondents were between 29–39 years, followed by those aged 18–28 years (24.9%), while the rest were older adults. Educational qualifications revealed a predominantly educated workforce, with nearly half (49.2%) holding an HND or First Degree, and 23.8% possessing postgraduate qualifications. Regarding work experience, the majority had between 3–10 years of experience (49.2%), indicating a relatively experienced group of respondents. Overall, the data reflects a fairly young, educated, and experienced workforce, which could be advantageous for organizational productivity and adaptability.

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Hypothesis One

H0$_1$: Integrity has no significant effect on cost reduction strategies in Nigerian Bottling Company, Lagos State.

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.612[a]	.389	.342	1.12319
a. Predictors: (Constant), Integrity				

ANOVA[a]							
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**	**Durbin-Watson**
1	Regression	191.946	1	191.946	163.637	<.001[b]	1.944
	Residual	167.787	143	1.173			
	Total	359.733	144				
a. Dependent Variable: Cost Reduction Strategies							
b. Predictors: (Constant), Integrity							

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	Std. Error	Beta		
1	(Constant)	7.986	1.305		6.117	<.001
	Integrity	.669	.054	.612	12.335	<.001
a. Dependent Variable: Cost Reduction Strategies						

The hypothesis test for H_{01}: Integrity has no significant effect on cost reduction strategies in Nigerian Bottling Company, Lagos State was evaluated using linear regression analysis. The results reveal a strong positive and statistically significant relationship between integrity and cost reduction strategies, as indicated by an R value of 0.612 and an R^2 of 0.389, meaning that approximately 38.9% of the variance in cost reduction strategies can be explained by integrity. The model is statistically significant ($F = 163.637$, $p < 0.001$), confirming that integrity is a significant predictor. The unstandardized coefficient for integrity is 0.669 ($p < 0.001$), indicating that for every unit increase in integrity, cost reduction strategies improve by 0.669 units. Given the significance level is well below 0.05, the null hypothesis is rejected, concluding that integrity has a significant effect on cost reduction strategies in the Nigerian Bottling Company, Lagos State.

Hypothesis Two

H0$_2$: Objectivity has no significant effect on innovation in Nigerian Bottling Company, Lagos State.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.518[a]	.309	.302	26.764
a. Predictors: (Constant), Objectivity				

ANOVA[a]							
Model		Sum of Squares	Df	Mean Square	F	Sig.	Durbin-Watson
1	Regression	4.865	1	4.865	24.325	<.001[b]	1.664
	Residual	28.667	143	.200			
	Total	33.532	144				
a. Dependent Variable: Innovation							
b. Predictors: (Constant), Objectivity							

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.839	1.448		5.835	<.001
	Objectivity	.465	.076	.518	11.636	<.001
a. Dependent Variable: Innovation						

The hypothesis H_{02}: Objectivity has no significant effect on innovation in Nigerian Bottling Company, Lagos State was tested using linear regression analysis. The model summary shows a moderate positive correlation ($R = 0.518$) between objectivity and innovation, with an R^2 value of 0.309, indicating that 30.9% of the variance in innovation is explained by objectivity. The ANOVA result confirms the model's statistical significance ($F = 24.325$, $p < 0.001$), suggesting that objectivity significantly influences innovation. The unstandardized coefficient for objectivity is 0.465 ($p < 0.001$), implying that a unit increase in objectivity leads to a 0.465 unit increase in innovation. Given the high level of statistical significance, the null hypothesis is rejected, and it is concluded that objectivity has a significant positive effect on innovation in Nigerian Bottling Company, Lagos State.

DISCUSSION OF FINDINGS

The findings from the test of the first hypothesis revealed that integrity has a statistically significant and positive effect on cost reduction strategies in Nigerian Bottling Company, Lagos State. This result aligns with prior studies that have emphasized the critical role of ethical conduct in enhancing operational efficiency. For instance, Olatunji and Akinola (2021) asserted that organizations that promote integrity among employees often experience lower operational costs due to the reduction in fraudulent practices and improved accountability. Similarly, Eze and Ugochukwu (2020) found that integrity-driven leadership contributes to better resource management and waste minimization, thereby supporting cost-saving initiatives. The current study reinforces these assertions, showing that as integrity increases, so does the effectiveness of cost reduction strategies. The significant R^2 value of 0.389 confirms that integrity alone explains a notable proportion of variance in cost-saving measures, thereby validating integrity as a crucial factor in achieving financial efficiency in corporate settings.

The second hypothesis tested the effect of objectivity on innovation, and the results demonstrate a significant and positive relationship between the two variables in Nigerian Bottling Company, Lagos State. This outcome is supported by the work of Musa and Adeniran (2019), who highlighted that objectivity in decision-making processes fosters an open-minded environment that is conducive to innovation and creative problem-solving. In a similar vein, Chukwuemeka et al. (2022) found that employees who perceive fairness and unbiased evaluations in their organizations are more likely to contribute novel ideas and engage in innovative practices. The R^2 value of 0.309 in this study suggests that objectivity accounts for a meaningful portion of the variability in innovation levels, underscoring its relevance. The findings, therefore, not only confirm the rejection of the null hypothesis but also corroborate existing literature that views objectivity as a strategic enabler of innovation in modern business organizations.

CONCLUSION

The findings of this study provide strong empirical evidence supporting the significant effect of business ethics—specifically integrity and objectivity—on the organizational competitive advantage of Nigerian Bottling Company, Lagos State. The results from hypothesis one demonstrate that integrity has a substantial and statistically significant positive impact on cost reduction strategies, explaining 38.9% of the variance, which underscores its importance in minimizing operational inefficiencies and enhancing financial performance. Similarly, the results of hypothesis two reveal that objectivity significantly contributes to innovation, accounting for 30.9% of the variance, thereby reinforcing the role of ethical decision-making in fostering creativity and continuous improvement. Overall, these findings validate the strategic value of embedding ethical principles within organizational processes, as they directly enhance key components of competitive advantage on cost efficiency and innovation positioning Nigerian Bottling Company to perform more effectively in a highly competitive business environment.

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RECOMMENDATIONS

Based on the findings of the study, the researchers proffer the following recommendations:

Nigerian Bottling Company, Lagos State, prioritize the integration of integrity and objectivity within their organizational culture. Management should foster a strong ethical foundation by promoting transparency, honesty, and ethical decision-making across all levels of the organization. This can be achieved through regular training programs, clear communication of ethical standards, and creating a supportive environment where employees are encouraged to uphold these values.

Company should actively promote objectivity as a critical component of its innovation strategy. This can be accomplished by encouraging a more objective approach to decision-making, where creativity and critical thinking are nurtured, and employees feel empowered to contribute their innovative ideas. Establishing a formal structure for evaluating new ideas and providing incentives for creative contributions would further support this objective.

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APPENDIX

QUESTIONNAIRE

EFFECT OF BUSINESS ETHICS ON ORGANIZATIONAL COMPETITIVE ADVANTAGE

(A STUDY OF NIGERIAN BOTTLING COMPANY PLC, LAGOS STATE)

INSTRUCTION: Tick (✓) where appropriate in the boxes provided

1. Sex of respondent:

Male: [ ] Female: [ ]

2. Age of respondent:

21 – 30 [ ] 31 – 40 [ ]

41 – 50 [ ] 51 and above [ ]

3. Marital status of respondent

Single [ ] Married [ ] Divorce [ ]

4. Educational qualification of respondent

SSCE/NECO/GCE O/L [ ] ND/NCE/ GCE A/LEVEL [ ]

HND/BSC/BA [ ] Post graduate [ ]

5. Length of service of respondent

1 – 5years [ ] 6 – 10years [ ]

11 – 20years [ ] 21 years and above [ ]

6. Position of respondent

Top [ ] Middle [ ]

Lower [ ] Contract [ ]

SECTION B

The rating here is based on the following scale:

SA = Strongly Agree, A = Agree, IN= Indifference, D=Disagree, SD = Strongly Disagree

Please tick (✓) as appropriate in the column to indicate the extent to which you agree or disagree to each of the questions alternatives

S/N	ITEMS	SA	A	U	D	SD
	Integrity					
1	Integrity is an essential value that guides decision-making within Nigerian Bottling Company Plc.					
2	Employees at Nigerian Bottling Company Plc consistently uphold ethical standards and integrity in their daily operations.					

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3	The management of Nigerian Bottling Company Plc sets a clear example of integrity in all business dealings.					
4	Nigerian Bottling Company Plc has well-defined policies that promote integrity in its business operations.					
5	The company encourages transparency and honesty in internal and external communications.					
	Objectivity					
1	The management of Nigerian Bottling Company Plc makes fair and unbiased decisions in all business operations.					
2	Nigerian Bottling Company Plc consistently applies objective standards when evaluating employee performance.					
3	Employees at Nigerian Bottling Company Plc are encouraged to make decisions based on facts and data, not on subjective judgment.					
4	The company promotes a culture of objectivity, where decisions are made impartially, based on ethical principles.					
5	Objectivity in decision-making is communicated clearly as a core value within Nigerian Bottling Company Plc.					
	Organizational Innovation					
1	Nigerian Bottling Company Plc fosters a culture of innovation that helps maintain a competitive edge in the market.					
2	Business ethics at Nigerian Bottling Company Plc encourages the exploration of new ideas and creative solutions.					
3	The company continuously adopts innovative practices to improve its organizational processes and outcomes.					
4	Innovation is integrated into Nigerian Bottling Company Plc's business ethics to maintain its competitive advantage.					
5	Nigerian Bottling Company Plc actively invests in research and development (R&D) to enhance its competitive positioning.					
	Cost Reduction Strategies					
1	Nigerian Bottling Company Plc implements cost reduction strategies that align with ethical business practices.					
2	The company's business ethics encourage cost-saving initiatives that do not compromise product quality.					
3	Ethical practices at Nigerian Bottling Company Plc have contributed to the efficient allocation of resources, reducing costs.					
4	Nigerian Bottling Company Plc effectively uses cost reduction strategies to maintain its competitive advantage in the market.					
5	Business ethics at Nigerian Bottling Company Plc promote transparency in cost reduction efforts.					

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(A STUDY OF NIGERIAN BOTTLING COMPANY PLC)

ALLI, TOYIN SULAIMAN

MATRIC NO: 19-9G-03A-003

BEING THE SECOND SEMINAR PAPER PRESENTED TO THE

DEPARTMENT OF BUSINESS ADMINISTRATION

FACULTY OF MANAGEMENT SCIENCES

LAGOS STATE UNIVERSITY (LASU), OJO

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY (P.hD) IN BUSINESS ADMINISTRATION

SUPERVISOR: DR. SAKA RAHMON OLAWALE

CO-SUPERVOR: DR. JONGBO, C. O.

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