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Business Ethical Practices and Performance of Commercial Banks, South-South Nigeria

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Abstract
This study examined the business ethical practices and performance of commercial banks in south-south, Nigeria; with particular focus on transparency, integrity and fairness. Extant literature was used and sourced from print materials and online publications. The findings revealed that transparency enhances accountability and stakeholder confidence, integrity promotes ethical leadership and strengthens organizational culture; while fairness increases employee satisfaction, motivation, and commitment. The study concluded that business ethical practices are therefore not only moral obligations but also strategic tools that support organizational success. The study recommended that management of commercial banks should implement clear communication channels, regular reporting, and timely disclosure of relevant information to stakeholders to build trust and strengthen governance. Also, management of commercial banks should encourage leaders and employees to consistently align actions with organizational values through training, codes of conduct, and monitoring systems, since integrity fosters commitment, loyalty and productivity.

Keywords: Business ethics, Transparency, Integrity, Fairness, Performance

Introduction

In recent years, business ethics has become a critical issue in organizational management due to increasing cases of corporate scandals, unethical conduct, and loss of public trust in organizations across the world. Business ethical practices refer to the moral principles, standards, and values that guide behavior and decision-making within organizations. These practices shape how organizations interact with stakeholders such as employees, customers, investors, suppliers, and the wider society (Ferrell, Fraedrich & Ferrell, 2019). As competition intensifies and stakeholders become more conscious of ethical conduct, organizations are increasingly expected to operate transparently, honestly, and fairly in order to sustain performance and long-term success (Oyegbami, Oyewole & Muhammed-Jamiu, 2023).

Organizational performance is a broad concept that reflects how well an organization achieves its objectives in terms of profitability, efficiency, market share, employee productivity, customer satisfaction, and overall sustainability. Scholars have argued that ethical practices are not merely moral obligations but strategic tools that significantly influence organizational performance (Kaptein, 2017). Organizations that uphold strong ethical values tend to build trust, enhance reputation, improve employee commitment, and reduce operational risks, all of which contribute positively to performance outcomes.

Transparency is one of the core dimensions of business ethical practice. It involves openness, clarity, and accountability in organizational processes, communication, and decision-making. Transparent organizations provide accurate and timely information to stakeholders, thereby reducing uncertainty and suspicion (Rawlins, 2008). Transparency enhances stakeholder confidence, improves internal control systems, and supports effective governance, which in turn can lead to improved organizational performance. Investigating the relationship between transparency and organizational performance is therefore essential in understanding how ethical openness drives organizational success.

Integrity is another fundamental ethical principle that reflects consistency between an organization's values, words, and actions. Organizations with high levels of integrity demonstrate reliability, responsibility, and adherence to moral standards even in challenging situations (Palanski & Yammarino, 2007). Integrity promotes ethical leadership, fosters trust among employees, and strengthens organizational culture. When employees perceive their organization as having integrity, they are more motivated, committed, and productive, which positively affects overall organizational performance. Analyzing how integrity contributes to organizational performance provides insight into the internal ethical mechanisms that enhance efficiency and effectiveness.

Fairness, as an ethical principle, relates to equity, justice, and impartial treatment of stakeholders within the organization. Fair organizational practices include equitable reward systems, unbiased decision-making, and equal opportunities for employees (Greenberg, 2011). When employees perceive fairness in policies and procedures, they are more satisfied, motivated, and willing to contribute positively to organizational goals. Fairness also strengthens employee trust and reduces workplace conflicts, thereby improving organizational performance. Determining the extent to which fairness influences organizational performance is therefore crucial in understanding the ethical foundations of workplace effectiveness.

In view of the growing importance of ethical conduct in today's business environment, this paper examined business ethical practices and perforamnce of commercial banks in south-south with specific focus on transparency, integrity, and fairness. By analyzing how these ethical dimensions influence organizational performance, the study seeks to contribute to existing literature and provide practical insights for managers and policymakers on the importance of ethical practices in achieving sustainable organizational success (Oyegbami, et. al., 2023).

Statement of the problem

In today's business environment, organizations are increasingly expected to operate in ways that reflect strong ethical standards. However, despite the growing emphasis on business ethics, many commercial banks still experience ethical lapses such as lack of transparency, favoritism, and unfair treatment of employees and stakeholders. These unethical practices often result in loss of stakeholder trust, low employee morale, reputational damage, legal sanctions, and ultimately poor commercial banks performance. The persistence of such ethical challenges suggests that many commercial banks have not fully integrated ethical principles into their operational and managerial practices.

Transparency in operations remains a major concern, as some organizaitons fail to disclose accurate information or maintain openness in decision-making processes. This lack of transparency creates suspicion among stakeholders, weakens corporae governance, and can lead to financial mismanagement and reduced performance. Similarly, integrity is frequently compromised when leaders and employees fail to align their actions with stated values and ethical standards. This inconsistency undermines organizational credibility and reduces employee commitment and productivity. In addition, issues of unfairness such as biased decision-making, unequal reward systems, and discrimination in the workplace often lead to dissatisfaction, conflict, and high employee turnover. These factors negatively affect organizational effectiveness and overall performance.

Many have treated ethical practice as a broad concept without focusing specifically on key ethical dimensions such as transparency, integrity, and fairness together in relation to organizational performance. There is therefore a need to investigate how these specific ethical practices individually and collectively influence organizational performance. This gap in knowledge creates uncertainty for managers and policymakers regarding which ethical values most significantly drive performance.

Consequently, the problem this paper addresses is the insufficient understanding of how core business ethical practices, transparency, integrity, and fairness influencing performance. This study therefore examined business ethical practices and performance of commercial banks in south-south, Nigeria.

Objective of the study

The general objective of this study is to examine business ethical practice and
Performance of commercial banks. The specific objectives are:

i. To examine the relationship between transparency and organizational performance.
ii. To analyze how integrity contributes to organizational performance.
iii. To determine the extent to which fairness influences organizational performance.

Theoretical Framework

Consequentialism theory

This theory was propounded by Jeremy Bentham in the late 18th century. The theory holds that the moral rightness or wrongness of an action is determined solely by its results or consequences. It is a teleological theory focusing on the "ends" or goals of actions rather than the means used to achieve them. An action is deemed "good" if it produces a better outcome than alternative actions, often summarized by the phrase "the ends justify the means."

Consequentialism generally seeks to maximize overall "goodness" or value in the world, such as pleasure, happiness, or wellbeing. In evaluating outcomes, the interests of all individuals affected by an action are treated as equally relevant, without has toward oneself or special groups.

It judges whether or not something is right by what its consequences are. For instance, most people would agree that lying is wrong. But if telling a lie would help save a person's life, consequentialism says it's the right being to do.

Concepts of business ethical practices

Business ethical practices refer to the application of moral principles and standards in business operations and decision-making. These practices guide how organizations relate with employees, customers, shareholders, competitors, and society at large. According to Ferrell, Fredrich, and Ferrell (2019), business ethics involves rules, standards, and principles that determine right and wrong in workplace behavior. Ethical practices help organizations maintain legitimacy, public trust, and long-term survival. Modern organizations are no longer judged only by profitability but also by how ethically they conduct their activities.

Kaptein (2017) explains that ethical practices create an organizational culture that promotes responsible behavior, reduces misconduct, and enhances accountability. When ethical values are embedded in organizational policies and leadership behavior, employees are more likely to act responsibly, which positively influences organizational outcomes. Business ethical practices therefore serve as both moral obligations and strategic tools that contribute to improved performance.

Transparency and performance

Transparency refers to openness, clarity, and the free flow of accurate information within and outside the organization. Rawllins (2008) describes transparency as the organization's willingness to provide information that allows stakeholders to understand its decisions and actions. Transparent organizations are more accountable and less likely to engage in corrupt or unethical practices. Transparency builds stakeholder trust, which is a key factor in organizational success. Employees are more committed when management communicates openly, while investors and customers are more confident in organizations that disclose accurate information (Schnackenberg & Tomlinson, 2016). Transparency also improves corporate governance and decision-making, leading to better performance outcomes.

In the context of banking operations, transparency refers to the extent to which bank openly disclose relevant, accurate, timely and understandable financial and non-financial information to stakeholders such as shareholders, depositors, investors, creditors, regulators, employees, and the general public (Akins et al, 2021; Nwaiwu & Joseph, 2022). Transparency encompasses financial reporting, practices, corporate governance disclosures, risk management information, operational activities, compliance procedures, executive decisions, and ethical standards adopted by commercial banks (Ezejiofor & John-Akamelu, 2021).

In south-South, the banking sector also experienced significant distress during the post-consolidation era, where several banks were discovered to have engaged in unethical practices such as insider lending, poor credit administration, financial misrepresentation, and manipulation of accounting records (Adegble & Fakile, 2020). These challenges led to the erosion of public confidence in the banking system and prompted regulatory authorities such as the Central Bank of Nigeria (CBN), THE Nigeria Deposit Insurance Corporation (NDIC), and the Securities and Exchange Commission (SEC) to introduce stricter disclosure and governance requirements for commercial banks (CBN, 2021). Since banking institutions rely heavily on public trust and confidence for survival, transparency became increasingly recognized as a critical factor necessary for restoring credibility, ensuring accountability, and promoting financial stability within the banking industry (Nwankwo & Osho, 2022). As a result, commercial banks are now expected to provide comprehensive and reliable information regarding their financial performance, governance structures, risk exposures, and strategic operations in order to enable stakeholders make informed economic decision (Herbert & Agwor, 2021).

Transparent disclosure of financial information assures depositors that their funds are secure and that the bank is financially stable and responsibly managed (Egbunike & Okerekeoti, 2020). Similarly, investors are more willing to invest in commercial banks that provide accurate and timely financial reports because transparency reduces uncertainty and minimizes the risks associated with investment decisions (Akins et al, 2021). In the absence of transparency, investors and customers may suspect financial manipulation, concealment of liabilities, or operational inefficiency, which could negatively affect the bank's reputation and market value (Afolabi & Dare, 2022). Studies have shown that transparent commercial banks often experience increased customer retention, higher deposit mobilization, improved investor confidence, and enhanced profitability because openness in operations creates a favourable corporate image and strengthens stakeholder loyalty (Herbert & Agwor, 2021, Okeoye et al, 2020).

Integrity and performance

Integrity involves consistency between stated values and actual behavior. It reflects honesty, moral courage, and adherence to ethical principles even under pressure. Palanski and Yammarino (2007) define integrity as the alignment of words and actions in a manner consistent with moral values organizations with integrity foster ethical leadership, trust, and a strong ethical climate. Employees working in organizations with high integrity tend to show greater job satisfaction, loyalty, and productivity. Integrity also enhances corporate reputation and reduces the likelihood of fraud and misconduct (Kaptein, 2017). These outcomes contribute directly to improved organizational performance. Therefore, integrity is considered a key ethical dimension affecting both internal efficiency and external reputation.

Integrity is widely regarded as a foundational element in the effective functioning and performance of commercial banks because it directly shapes trust, governance quality, and stakeholder confidence. In the banking sector, integrity refers to the consistent adherence to ethical principles, professional standards regulatory requirements, and organizational values in all financial and managerial decisions. (Chen & Zhang 2023).

At a deeper conceptual level, integrity in commercial banks reflects the alignment between stated organizational values and actual operational behavior. It is evident in how banks manage customer funds, disclose financial information, assess credit risk, and interact with regulators. When integrity is strong, there is consistency in financial reporting, ethical lending practices, and responsible risk-taking. Conversely, weak integrity is often associated with manipulation of financial statements, insider abuse, fraud, and regulatory non-compliance (Manyo, 2023). Kaptein (2013) argues that organizational integrity is achieved when ethical values are embedded within institutional systems, structures, and culture in such a way that they guide behavior even in the absence of external monitoring. In banking institutions, this implies that integrity must be institutionalized rather than left to individual discretion, because the sector is highly sensitive to misconduct.

According to Adewale and Ogunnaike (2018), integrity plays a significant role in strengthening stakeholder confidence, which is essential for sustaining deposit mobilization and investment inflows. In the banking industry, customer trust is a major driver of competitiveness because customers have alternative institutions to choose from. When a bank is perceived as ethical, transparent, and reliable, customers are more likely to maintain long-term relationships with it. This leads to increased deposit base, improved liquidity position, and enhanced lending capacity. However, when integrity is compromised, customers tend to withdraw their funds, switch to competitors, or avoid engaging with the institution altogether, thereby weakening its financial position and market share.

Fairness and performance

Fairness relates to justice, equity, and impartiality in organizational policies and practices. Greenberg (2011) notes that fairness in reward systems, promotions, and decision-making processes strongly influences employee attitudes and behavior. Organizational justice theory suggests that employees who perceive fairness are more satisfied, motivated, and committed.
Fairness in the context of commercial banking has increasingly been recognized as a strategic determinant of organizational performance rather than merely an ethical or human resource concerns. In modern banking systems, fairness influences how employees perceive their organization, how customers evaluate service delivery, and how stakeholders assess corporate legitimacy. Commercial banks operate in environments characterized by intense competition, regulatory pressure, technological disruption, and high customer expectations. Within such a context, fairness becomes a stabilizing factor that shapes behavior, improves trust relationships, and enhances institutional performance. When fairness is embedded in managerial practices, it strengthens internal cohesion and external confidence, both of which are critical for sustainable banking performance (Colquitt et al, 2013).

Fairness significantly affects employee performance in commercial banks through its impact on motivation and job satisfaction. Employees who perceive fairness in reward distribution and decision-making processes are more likely to exhibit higher levels of intrinsic motivation and organizational commitment. This is because fairness reinforces a sense of belonging and value within the organization, thereby increasing willingness to contribute to organizational goals. Conversely, perceptions of unfairness often lead to psychological withdrawal, reduced effort and increased turnover intentions. In banking institutions where performance targets are strict and customer interaction is continuous, such negative outcomes can directly reduce efficiency and profitability (Cropanzano et al, 2007).

In addition, fairness plays a critical role in shaping employee attitudes toward performance appraisal systems in commercial banks. Performance appraisal is a core managerial tool used to evaluate employee contributions, determine promotions, and allocate rewards. However, if appraisal systems are perceived as biased, subjective, or manipulated, employees may lose trust in management decisions. This can lead to reduced engagement and resistance to organizational goals. On the other hand, fair appraisal systems enhance perceived organizational support, encourage goal alignment, and improve employee performance outcomes (Islam et al, 2024). In many banking environments, especially in developing economies such as Nigeria, appraisal fairness is a major concern due to frequent allegations of favoritism and lack of transparency in promotion decisions.

In the Nigerian banking sector, fairness remains a critical challenge due to issues such as nepotism, ethnic bias, and inconsistent enforcement of politicies. Employees often report disparities in promotion opportunities and reward allocation, which negatively affects morale and productivity. Additionally, the pressure to meet financial targets sometimes leads to perceived unfair evaluation of employee performance. These challenges weaken trust in management and reduce overall organizational effectiveness. Addressing fairness concerns is therefore essential for improving both employee satisfaction and institutional performance in commercial banks.

Key Principles Driving Business Ethics

The following are the general principles driving business ethics:

- **Leadership:** The conscious effort to adopt, integrate and emulate the other principles to guide decisions and behavior in all aspects of professional and personal life
- **Accountability:** Holding yourself and others responsible for their actions, commitment to following ethical practices and ensuring other follow ethics guidelines.
- **Integrity:** Incorporates other principles – honesty, trustworthiness, reliability, someone with integrity consistently does the right thing and strives to hold themselves to a higher standard.

- **Respect for others:** To foster ethical behavior and environments in the workplace, respecting others in a critical component. Everyone deserves dignity, privacy, equality, opportunity, compassion, and empathy.
- Honesty: Truth in all matters is key to fostering, an ethical climate, partial truths, commissions and under or overstating don't help in business improve its performance. Bad news should be communicated and received in the same manner as good news so that solutions can be developed.
- **Respect for laws:** Ethical leadership should include enforcing all local, state and federal laws. If there is a legal grey area, leaders should err on the side of legality rather than exploiting a gap.
- **Responsibility:** Promote ownership within an organization, allow employee to be responsible for their work, and be accountable for yours.
- **Transparency:** Stake holders are people with an interest in a business, such as shareholders, employees, the community a firm operates in, and the family members of the employees without divulging trade secrets, companies should ensure information about their financials, price changes, hiring and firing practices, wages and salaries, and promotions are available to those interested in business's success.
- **Compassion:** Employees, the community surrounding a business, business partners, and customers should all be treated with concern for their well-being.
- **Fairness:** Everyone should have the same opportunities and be treated the same, if a practice or behavior would make you feel uncomfortable or place personal or corporate benefit in front of equality, common courtesy, and respect , it is likely not fair.

Benefits of using ethics in the workplace

There are various benefits to using ethics in the workplace. Leaders stakeholders and the general public alike can experience significant improvements when organizations hold themselves to high ethical standards. Here are a few of the primary benefits that result from employing ethics in the workplace.

Employee satisfaction

When organizations express their commitment to maintaining high ethical standards, they usually treat employees better and encourage staff to act literally under the same premises. These ethical standards help establish a certain expectation for how organizational operations affects stakeholders' well being and personal interests.

Improved workplace culture

As stated above, when organizations act responsibly and ethically, leaders and employers typically follow suit. This can help significantly improve workplace culture overall.

Maintaining legal compliance

Often, the ethical standards that organizations set out for themselves correspond directly with legal guidelines.

Improved public reputation

When organizations set out clear ethical standards for their workplace, they can typically enjoy an improved public image. In recent years, consumers and society more generally have become increasingly concerned with how organizations treat their employees and act accountably toward the public.

Customer engagement and loyalty

If an organization is client-facing, instilling specific ethical workplace standards can help encourage increased customer engagement and loyalty. Often customers will be more willing to engage with explicitly ethical companies than those with fewer ethical initiatives.

Streamlined decision-making

When organizations establish ethical codes of conduct in the workplace, they foster a culture designed to uphold such standards. These make streamlined decisions and solve problems efficiently when challenges arise.

Concept of performance

Organizational performance refers to the extent to which an organization achieves its goals efficiently and effectively. It includes financial indicators such as profit and revenue growth, as well as non-financial measures like employee productivity, customer satisfaction, innovation, land reputation (Richard, Devinney, Yip & Johnson, 2009). Performance is influenced by both internal factors (leadership, culture, employee commitment) and external factors (competition, regulations, economic conditions).

Scholars argue that ethical practices are important internal drivers of performance. When organizations operate ethically, they build trust, attract loyal customers, retain skilled employees, and reduce legal risks, all of which enhance performance (Trevino & Nelson, 2016). This suggests a strong link between ethical conduct and sustainable organizational success.

Empirical review

Bosco et al. (2026) research on impact of business ethics practices on the sustainability and performance of small and medium enterprises: case study of Adamawa Central Senatorial District in Nigeria. The study adopted three objectives and three research questions concurrently thus: assess the level of adoption of business ethics practices among small and medium enterprises, examine the relationship between business ethics practices and the performance of small and medium enterprises and determine the effect of business ethics practices on the sustainability of small and medium enterprises in Adamawa Central Senatorial District. This study adopted a descriptive cross-sectional survey design using a quantitative research approach. The sample size of 200 was determined using Taro Yamane's (1967) formula for finite populations. A multistage sampling technique was employed and data was collected using a structured questionnaire designed on a Likert scale. The collected data was then coded and analyzed using Statistical Package for the Social Sciences (SPSS). The reveal that high ethical adoption among SMEs has positive relationship between ethics and performance and ethics significantly enhances sustainability. It was concluded that business ethics practices play a vital role in enhancing the sustainability and performance of SMEs in Adamawa Central Senatorial District. Institutionalization of ethical frameworks, capacity building and training of government agencies and business associations and strengthening regulatory support were recommended.

Oloveze et al. (2023) investigate ethical responsibility and corporate reputation of financial service firms in Nigeria. Ethical responsibility is an important aspect of business practices. The interest of managers is anchored on the tendency of ethical workers to be compliant with ethical work environment and demands of the work. As firms strive to meet their objectives the concern of business conducts within principle of what is right and wrong becomes a necessary consideration. The paper evaluated ethical responsibility and corporate performance in Nigeria with focus on employees of financial firms. Adapted questionnaire was used to sample 340 employees using convenience and snowball sampling technique. Confirmatory factor analysis and structural equation modeling was adopted in the analysis. The results reveal that ethical codes, ethical management system, corporate social responsibility, and ethical leadership significantly and positively influence firm reputation thereby concluding that ethical responsibility has a significant effect on corporate performance in Nigeria. The study recommends that ethical leadership should be added as a curriculum in institutions of learning to deepen the role of ethical leaders and groom potential ethical leaders that contributes to ethical practices in work environments.

Adeniran and Sabitu (2023) research on ethical practice and organizational performance of selected beverage manufacturing companies in Nigeria. The objective was to ascertain the effect of ethical practice and organizational performance of selected beverage manufacturing companies in Ogun State, Nigeria. Cross-sectional research design was adopted and data was collected through the use of a structured questionnaire. Linear regression analysis method was used to test the hypothesis through the Statistical package for Social Sciences (SPSS 25.0). Findings revealed that Ethical Practice (Accountability) has a positive and significant effect on Productivity of the Selected Beverage Manufacturing Companies in Ogun State, Nigeria ($\beta = 0.264$, $t = 5.113$, $p < 0.05$); Ethical Practice (Corporate Social Responsibility) has a positive and significant effect on Profitability of the Selected Beverage Manufacturing Companies in Ogun State, Nigeria ($\beta = 0.292$, $t = 2.584$, $p < 0.05$). Based on the findings of this study and recommendations, the areas suggested for further studies were established.

Makinde et al. (2021) study business ethics and performance of the Nigerian banking Sector: A Conceptual Approach. This study, therefore, examined business ethics and performance of the Nigerian banking sector using a conceptual approach. Business ethics and performance was examined by interrogating previous studies on the variables. The motive of the investor is to make profit and as such, directors are expected to run the affairs of banks in the best interest of various stakeholders. The decision to do so is influenced by what management considers ethical. Hence, the character of a bank and its actions reflect the ethical conduct and professionalism codes that it follows, which affects its potential for profit and growth. The study came up with recommendations on how the sector can be improved upon through intentional efforts to be ethical in every dealings and practices in the sector.

Ebitu and Beredugo (2015) study business ethics and the performance of service firms in Calabar, Cross River State, Nigeria. It investigate relevance of code of ethics on guiding the performance of service industry also compliance level on the established code of ethics. The study adopts descriptive research design while data were collated from 176 respondents cutting across selected Banks and GSM firms in Calabar, Cross River State. The hypotheses were tested using Chi-square (X2) and all were supported by extant literatures. Results show that effective performance of service industry was dependent on code of ethics [X2cal = 18.082 > t 0.05 = 7.815] and that the compliance level of established code of ethics for service industry was high [X2cal = 13.801 > t 0.05 = 7.815]. The findings suggested that there should be specific procedures to identify and deal with issues of ethical misconduct, it is important for organizations to increase punitive measures to violators of ethical codes. Recommendations among others are; staff in organization should be equipped with manual containing the codes of ethics and ensure effective compliance to ethical standard and codes.

Findings

The study examined the impact of business ethical practices specifically transparency, integrity, and fairness on organizational performance. The key findings are as follows:

1. The finding revealed that there is a relationship between transparency and organizational performance. This implies that organizations that operate transparently, providing accurate and timely information to stakeholders, experience enhanced trust, confidence, and accountability. Employees are more committed when management communicates openly, while investors and customers gain confidence in the organization. In line with the finding, Rawlins (2008) says transparency enhances stakeholder confidence, improves internal control systems, and supports effective governance, which in turn leads to improved organizational performance. Supporting the finding, Herbert and Agwor (2021), said transparent commercial banks often experience increased customer retention, higher deposit mobilization, improved investor confidence, and enhanced profitability because openness in operations creates a favourable corporate image and strengthens stakeholder loyalty
2. Integrity was found to positively contributes to organizational performance. This implies that with integrity, reputation is strengthened, misconduct reduced and productivity enhanced. Organizations that demonstrate consistency constancy between stated values and actions foster ethical leadership, employee commitment, and a strong organizational culture. Integrity contributes to performance by enhancing productivity, reducing misconduct, and strengthening reputation.

This finding corroborates with the finding of Palanski and Yammarino (2007) by saying that organizations with high levels of integrity demonstrate reliability, responsibility, and adherence to moral standards even in challenging situations.

3. The finding revealed that fairness influences organizational performance. This implies that fair organizational practices reduce conflict, turnover and dissatisfaction, thereby improving overall performance. Fairness in decision-making, reward systems, and workplace treatment significantly improves employee satisfaction, motivation, and commitment.

The finding is in line with Greenberg (2011), he said fairness in workplace strengthens employee trust and reduces workplace conflicts, thereby improving organizational performance. This was supported by Colquitt *et. al*. (2013), he said when fairness is embedded in managerial practices, it strengthens internal cohesion and external confidence, both of which are critical for sustainable banking performance.

Conclusion

This study confirms that business ethical practices, transparency, integrity, and fairness are significant determinants of organizational performance. Ethical organizations experience higher employee commitment, stakeholder trust, operational efficiency, and long-term sustainability. Conversely, organizations that fail to uphold these principles risk low morale, loss of stakeholder confidence, reputational damage, and reduced performance.

Ethical practices are not merely moral obligations but strategic tools that drive sustainable success and competitive advantages. For organizations to remain effective, resilient, and socially responsible, ethics must be integrated into leadership behavior, decision-making, policies, and organizational culture. By doing so, organizations can achieve both moral and performance objectives, fostering an environment that benefits employees, stakeholders, and society at large.

Recommendations

Based on the findings, the following recommendations are proposed to enhance organizational performance through business ethical practices:

1. Management of commercial banks should implement clear communication channels, regular reporting, and timely disclosure of relevant information to stakeholders to build trust and strengthen governance.
2. Management of commercial banks should encourage leaders and employees to consistently align actions with organizational values through ethics training, codes of conduct, and monitoring systems. Integrity fosters commitment, loyalty, and productivity.

3. Management of commercial banks should adopt equitable reward systems, unbiased promotions, and impartial decision-making. Regular reviews of HR policies and procedures will enhance employee satisfaction, reduce conflict, and increase productivity.

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