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The Vicious Circle of Corruption in the Human Side of the Enterprise

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Abstract

The vicious circle of corruption constitutes a bane in the business world. Corruption is a canker that must be eroded to create new incentives for innovative management system and improved productivity in the local and global economies. The dwindling economy many developing nations are facing today (Nigeria inclusive) has raised serious concern. This conference paper adopts historical and descriptive research methods. Many corrupt firms suffer morale decadence and counterproductive work behaviours which culminated in productivity downturn. Corruption had permeated many segments of the society, ravaged the corporate scene of nations and left many firms as travail of

woes for investors. The code of morals and leadership ethnics had suffered for years. In Nigeria, illicit acts and counterproductive work behaviours have characterized many firms in recent times. Budgets and financial records do not only lack the attributes of truth and fairness but suffer credibility loss and unreliability in the business population for years. Corruption is cankerous and designated authorities, institutions and agencies (nationally and internationally) have made tremendous efforts to fight and erode this dreadful canker from the business environment. Yet, not much is achieved; rather much is required.

Keywords: Corruption, Management, Nigeria

1. Introduction

1.1 Contextual Background

The business population is an integral part of the global economy and constitutes a major aggregate of the private sector. It incorporates all economic units engaged in the fabrication and distribution of goods and services needed by the society. Although the past years had witnessed innovations in this sector, much is yet to be done on issues relating to corruption, morale decadence and productivity downturn in the human side of the enterprise for the purpose of keeping the business in path of growth and survival in the years to come. Enterprise members are expected to exhibit behaviour that is completely professional, ethical and acceptable in the workplace. Such behaviour will steer employees' behaviour towards improved productivity. But corruption has brought the opposite of that intended. It has become a bane in the history of many firms particularly in this era where businesses suffer low level of employees' work morale and declining productivity downturn particularly in developing nations (Umo, 2021; Umo, 2022) ^[16, 17].

The magnitude of corruption in the society has raised serious concern. Bribery, fraud and other financial scam have raised questions about integrity, transparency, trust, fairness and confidence in the human side of the enterprise. Corruption has culminated in ethical, social, legal and financial costs in firms. Employees' morale is dampened resulting in productivity downturn. The situation becomes more disturbing in consideration of the economic recession many developing nations are facing today. Employees are yet to determine why they need to be productive and put forth their best performance. Enterprise members are yet to be fully educated on the need for peaceful co-existence and corruption-free climate in business environment (the basic factors for business success now and in the years to come (McConnell, 2019) ^[9].

The Nigerian economy was classified and still remains an import dependent economy (Umo, 2022) ^[17]. The production capacity of Nigerian workers and other resources is underutilized. Employees complain that the work is not theirs, but belongs to the management, directors and the Board. Budgets are released wily-nily and have lost credibility for some years. Employees confidence is eroded and corporate transparency, morale and employees' productivity are seriously impaired. The financial planning model lacks attributes of truth, fairness and credible implementation. Financial records are cooked and accounts are padded in many business institutions (Umo, 2021) ^[16].

From the said background, we seem to be entering into a new paradigm where one of the challenges is to create new incentives for enterprise growth and survival particularly in consideration of the huge corruption in Nigerian Society today. Management Science must be innovative, the human side of the enterprise must be harnessed, employees' morale and motivation must be enhanced, interpersonal trust and shared feeling of confidence must be recovered, corporate image and reliability of financial statements must be restored and employees' productivity must be improved in the human side of the enterprise. Accordingly, the researcher reached a decision to present a paper titled "The Vicious Circle of Corruption in the Human side of the Enterprise" tracking the work morale, management systems and employees' productivity in relativity.

1.2 Purpose of the Conference Paper

This conference paper constitutes related conceptual, theoretical and empirical review on the vicious circle of corruption with the aim of establishing the relationship between corruption, morale decadence and productivity downturn in the human side of the enterprise. Specifically, it sought to find out if:

1. Organizational corruption hurts employees' feelings resulting in morale decadence in the human side of the enterprise
2. Organizational corruption relative to morale decadence engenders productivity downturn in the human side of the enterprise.
3. The typology of management system operating in firms relates to the type of employees' behavior in the firms.
4. Organizational corruption, morale decadence and employees' productivity downturn portray a vicious circle in the human side of the enterprise.

1.3 Research Methods

The presenter adopts historical and descriptive research methods.

1.4 Organization of the Study

This research work presented is organized into five sections. Section one is the introductory section. Section two present a review of related literature and highlight related concepts, theories and empirical studies. Section three mirrors Nigeria in relativity while section four presents the vicious circle of corruption in the human side of the enterprise. Section five is the last section and this section proffers conclusion and useful recommendations.

2. Review of Related Literature

2.1 Corruption

Corruption involves a bureaucratic behaviour that deviates from the norms or violates rules specified by a given political context, and is motivated by private gains that can be accrued from public role. It connotes the role behaviour in any institution (not just government or public service) that violates formally designed role obligations in search of private gain (Umo, 2021; Lamsdorff, 2002) ^[16, 8].

In this paper, organizations of major concern are business organizations (profit driven institutions). Profit-driven institutions have a greater obligation for curbing corruption. The majority of corruptions take place between business organizations and political agencies, both domestically and internationally (Ackerman, 2011; Umo, 2021) ^[1, 16]. The

former debacles of many well known companies from the eve of the 20th Century through the dawn of the 21st Century are in living memory. Few to be mentioned ranges from the US Enron to the China's GITIC and Yuanhua Group which raised the profile of corrupt activities and organizational repercussions in the period stated above (Umo, 2021) ^[16].

Admittedly, corruption hinders enterprise growth and survival. It is associated non-transparent firms, low paid workers, shortage of independent and well-functioning market mechanisms, weak economic institutions, weak legal system and its enforcement. But the major issue of concern is lack of necessary tools to address the contexts, behaviours and processes that constitute corruption at the organizational level (Umo, 2021; Schleifer & Vishny, 2017) ^[16, 13].

An organizational perspective towards corruption is worth mentioning for many reasons:

1. An organization is a basic unit of corruption practices. Most corruption activities take place between profit – driven organizations (bribers or donors) and government officials (corruptors or recipients).
2. Organization that are motivation to bribe for transaction specific gains are partly responsible for the reason why corruption is difficult to eradicate. Unlike individuals, corrupt organizations cannot be arrested and therefore, they only face legally prescribed sanctions. Unless organization are fully prepared to resist corrupt practices, it shall be difficult to eradicate corruption in any society.
3. An organization is a window through which to see a nation's corruption climate.
4. Knowing organizational implication is imperative (Umo, 2021) ^[16].

The increased incidence of management fraud has resulted in greater pressures on auditors to detect fraud. In response, the accounting profession has established standards concerning auditors responsibilities to detect errors or irregularities, and a commission created by the American Institute of certified Public Accountants concluded that the auditor had a duty to search for fraud (Albrecht, Cherrington & Romney, 2010) ^[3]. Fraud results from an interaction of situational pressures, opportunities to commit fraud and personal characteristics. Fraud is increasing because:

- It is difficult to detect
- It is not subjected to serious punishment
- It is condoned to some extent (Umo, 2021) ^[16].

Generally, corruption practices include bribery, fraud, extortion and favouritism. Bribery is the primary form of corruption. It is the payment (in money or kind) given or taken in a corrupt relationship. It connotes an offer, promise or gift of undue pecuniary of other advantage whether made directly or through intermediaries, to a person to holding public office for that person to commit an act or refrain from acting in relation to the performance of official duties. Other terms for bribery include Kickbacks, red envelopes, gratification, grease money, among others. To most firms, bribery of public officials is the most prevalent form of corruption (Albrecht, Cherrington & Romney, 2010) ^[3].

Fraud is an economic crime that involves some kind of trickery, swindle or deceit. Favoritism is a mechanism of power that privatizes public resources and connotes highly biased or corrupt distribution of state resources, no matter how the resources were accumulated in the first place. It is

human proclivity to favour friends, family and anybody close of public interests. Favouritism is a misuse of public responsibilities and connotes a corrupt distribution of public resources (Umo, 2021)^[16]. However, the meaning of corrupt acts varies across nations.

In general, corruption is illicit, immoral, unethical and illegal. Its meaning varies across nations (Britt & Jex, 2017; Agut, Piero & Salanova, 2018)^[5, 2]. In corrupt enterprises, managers or employees do not buy or sell on best terms as regards price, quality, service, among others. For instance, they may fail to realize the consequences of their illicit acts which they cause:

- By putting the company's reputation at risk
- By encouraging others to act in the same way
- By depriving the company of some right or property, or
- By creating conditions that will permit corruption to go unnoticed such as concealment of information and falsification of company's records.

Corruption increases cost and plagues the firm's reputation, thereby deteriorating performance. It is an evolutionary hazard in the long run. It causes low level of morale productivity. It hinders firm's growth through four interrelated channels namely cost effect, risk effect, punishment effect and image effect (Umo, 2021; Duane, Ellen & Schultz, 2020)^[16, 6].

(a) Cost Effect

All the transactions which entail same elements of corruption inevitably involve financial costs. A company does not only pay more but also assume more risk when corruption is high. The cost effect directly disrupts a firm's growth potential and the consequences are:

- Financial costs (transaction cost, inefficiency and fines)
- Social costs (loss of reputation and creation of atmosphere that favours corruption).
- Ethical costs (deterioration in production and corporate culture)
- Legal costs (accusations, law suits and penalties).

(b) Risk Effect

Because of their illicit nature, all corrupt activities are highly risky to all actors. Such activities are always based on oral agreement (Lambsdorff, 2002)^[8]. The degree of risk is a function of the bureaucratic corrupter's willingness, power, position, experience and network (Umo, 2021)^[16]. Since many corrupt acts are associated with many people (including officials, businessmen and others who may not even know each other), the discovery of a criminal fraud in any stage of the corruption web could quickly impose high risks to everyone else linked to the network. When a firm uses bribery to achieve its business goals, the entire organization is thus involved in the risk and unpredictable process.

Any person belonging to the top or middle management can risk the whole company's reputation if he is found to be engaged in corrupt acts for organizational purposes.

(c) Punishment Effect

When a criminal fraud of corruption for an organizational purpose is discovered, both the individual and the organizational will be punished institutionally, legally and disciplinary.

Therefore, according to Umo (2021)^[16], punishment effect

may be categorized into institutional punishment, judiciary punishment and disciplinary punishment.

• Institutional Punishment

Institutional punishment includes the re-organisation of the entire firm led by government authority, removing members of the management (especially top managers) involved in bribery or fraud and rectifying a series of operational and financial policies. It should be mentioned that it will take several years for a firm to restore its normal business after re-organization by the government. The affected firm will have to re-build business connections and its reputation. This may take time and probably years.

Other modes of institutional punishment include the cancellation of institutional membership in industrial association, removal of preferential policies provided previously by government and placement of quasi-auditors in top management decisions or Board meetings.

Judicial Punishment

Admittedly, judicial punishment is usually hard. It includes criminal sanctions as well as economic fines.

Disciplinary punishment

Disciplinary punishment is parochial and affects only those middle managers who are directly involved as well as senior managers who are indirectly engaged. Notably, its impact on business operations can be crucial.

Disciplinary punishment against important managers of a firm by governmental authorities demotes or freezes their business posts. This substantially deters their future commitment to the firm. After punishment, the affected managers will quit their jobs and admittedly, most of their customers and networks go with them.

In general, punishment sabotages the firm's reputation or legitimacy which further deters the gradual growth and development in firms.

(d) Image Effect

Management and employees represent their company's image on and off the job. Their actions are reflective of their organization. The image effect mainly increases cost or reduces the income stream of the firm (Britt & Jex, 2018).

Many customers or consumers around the globe purchase products according to the stereotype or image of the firm. For instance, when an organization's engagement in corrupt act is publicized, customers or consumers quickly form a serotype that such an organization is poorly managed, produces defective goods and is incapable of ensuring customer service (Umo, 2021)^[16]. Once a firm is perceived as fitting with this stereotype by the market, its survival and growth trend will be impaired.

Available management and research literature suggest that organization's image is positively associated with firm's productivity and general performance, and that social image and organizational identity are reciprocally interchanged (Duane, Ellen & Schultz 2020; Umo, 2021)^[6, 16]. Poor performing firms tend to use bribery as a prescription to cure their ailments. But more bribery further increases costs and plagues their reputation in the society generally and in global market specifically.

(e) Corruption implies Strategic Impediment

Corruption may be viewed as strategic impediment. This is mainly manifested in resource misallocation, capability-building deterrence and lack of confidence and predictabilities such as organizational learning, knowledge

upgrading, continuous innovations and innovative corporate culture. In a corrupt culture, none of these dynamic capability mechanisms can be fostered or nourished. Because many corrupt acts are actually performed by individual employees on behalf of the organization (often described as autonomous moral entity), it is observed that corporate integrity usually suffers.

A firm relying on bribery generally perceives corrupt acts as a substitute for innovations whether in technological advancement or organizational skills. It may perceive bribery to be quicker and perhaps more effective strategic instrument by which it may accomplish its organizational goals. Lack of predictability, confidence or trust always accompanies corrupt deals which in turn causes productivity to fall and impedes business growth and developed.

(f) Corruption connotes dishonesty and untrustworthiness

A basic pre-requisite for a firm's reputation and trustworthiness is adherence to the law (nationally and internationally). Corruption hurts a firm's competitive position in the market because it is associated with dishonesty and untrustworthiness. It is illicit in nature. This attribution mirrors dishonesty and untrustworthiness of a business organization.

(g) Corruption encompasses problematic Leadership and Poor Business Morality

Corruption is associated with mismanagement. It is an act which violates business ethics. It connotes poor business morality and problematic leadership. Under such leadership, it is impossible for a firm to have innovative culture, efficient administration, transparent communication, effective information flow and productive collaboration across departments.

2.1.1 Mechanism for fighting Corruption in Firms

The following means can yield intended results when fighting corruption at the organizational level.

(a). Purpose oriented Organizational Structure

Corruption can be detected, minimized and corrected through skillfully designed and purpose oriented organizational structure (Umo, 2021) ^[16]. This is done through structural formalization which includes in the organizational structure any of the following:

- Having a corporate headquarters or administrative centre/unit of anti-corruption policies and procedures through integrated structure.
- Appointment of a corporate compliance officer within existing organizational structure (Umo, 2021) ^[16].

(b). Compliance System and Organizational Control

A business system that wishes to fight corruption should maintain an effective system of compliance and organizational control. The compliance system should incorporate a code of conduct and a program of ethics. The organizational control should aim at minimizing corporate immoralities through the following measures:

- Promote clear information and expectations about legal and ethical behaviours.
- Increase the likelihood of detection of illicit acts
- Assures the punishment of immoralities
- Reward desired behaviour
- Discipline those who engage in corrupt practices (Umo, 2021) ^[16].

(c). Moral Principles and Ethical Leadership

Moral principles constitute the basic ingredients of moral culture and dictate the moral tone for firms. They seek to deter corruption by incorporating values, social rituals, statements, visions, customs, slogans and role models that are unique to and used by business organizations.

Ethical leadership envelopes visions and commitments aimed at combating corrupt practices in firms. It spells out moral standards for a firm by focusing on integrity of common purpose (Umo, 2021) ^[16].

2.2 Morale

Morale is the collective attitude of workers towards their jobs, fellow workers and the company. It is the general attitude or outlook of an individual or a group towards a specific situation. It connotes the level of a person's cheerfulness and confidence, and the level of enthusiasm with which he engages in activities. Morale implies the feelings employees have towards their jobs, fellow workers and the company (Rachman & Mescon, 2021) ^[12]. Morale influences and influenced by such factors as courage, confidence and determination. It can seriously affect well-being and productivity.

When morale is high, work is done willingly and with less supervision. Moreover, the spirit and confidence of an employee or group are generally good resulting in high level of motivation and productivity. High morale boosts team spirit in firms. When managers try to raise the morale of their workers they try to find ways to make them work zestfully and produce at their maximum capacity (Umo, 2021) ^[16].

When morale is low, productivity is usually correspondingly poor. Low morale will cause team spirit to suffer and productivity will decline (Umo, 2021) ^[16].

2.2.1 Morale Decadence

Morale decadence describes the deplorable state of employees' loyalty, confidence and enthusiasm in business institutions. It depicts a general downturn in the level of employees' trust, confidence and cheerfulness in work environment. It connotes a trend of regressivity in work morale as employees engage in company's activities. It mirrors a continuous decline in employees' feelings towards their jobs, fellow workers and the organization (Umo, 2022; Umo, 2023) ^[17, 18].

Morale decadence brings to the limelight the recent upsurge in the level of corporate immoralities. Notably, some illicit acts have characterized many firm while some firms have collapsed in many nations today (Umo, 2021) ^[16]. In the life of many firms, morale decadence has caused some problems. Employees' courage is diminishing. Work motivation is deteriorating. The state of discipline is mind and spirit is decaying. Work is not done willingly but under close supervision and tight control. Productivity is declining in the face of poor employees' commitment (Umo, 2021) ^[16].

2.3 Productivity

Productivity is the measurement of production performance using expenditure of human effort as the yardstick. It is the amount of goods and services a worker produces. (Skinner & Ivancevich, 2019) ^[14].

Improving productivity means getting more out of what is put in. It does not mean increasing production through the addition of resources such as time, money or people. It

implies doing better with what a firm has. Today's business world demands that we produce more with less: Fewer people, less money, less time, less space and few resources generally (Umo, 2023) ^[18].

2.3.1 Horrendous Downturn of Productivity

Productivity downturn implies drastic, unpleasant and unacceptable fall in the level of productivity in business organizations. It implies firms producing less with more resources (Umo, 2021) ^[16]. It is associated with counterproductive work behaviours and the resulting unpleasant fall in the quantity and quality of goods and services a worker produces. Productivity downturn is synonymous with under-utilization of production capacity relative to the inputs labour and other resources. It shows a regressive trend in the rate at which a worker, firm or country produces (Umo, 2021). It mirrors recessive productivity in firms, that is the such firms achieve less although they spend more time, more materials, other resources and money (McConnel, 2019) ^[9]. Productivity downturn portrays a difficult time in an economy because it mirrors less trade and industrial activities than usual culminating in poverty, loss of jobs and even unemployment. Such economy is characterized by travails of difficulties and collapse of business institutions (Umo, 2021) ^[16].

2.4 Management systems and Typology

2.4.1 Management Systems

A management system is a hierarchical combination of the goal-setting machine and goal-achieving machine in firms (Umo, 2022) ^[17]. Two key players (actors) are identified in the management systems of firms namely the goal-setting machine and the goal-achieving machine. The goal-setting machine sets goals and the goal-achieving machine endeavours to achieve exactly the enterprise goals in order to facilitate organizational co-ordination and planning. The top management constitute the goal-setting machine and is also known as the "changer" in the management system of firms. The goal-achieving machine comprises of employees (subordinate managers inclusive), and is tagged the "changee" in the management system of firms. The goal-achieving machine (employees) holds the final change decisions in the strategic and operations management of firms. (Umo, 2022; Umo, 2023) ^[16, 17].

A management system is effective, if it influences work behaviour in directions that will advance the best interest of the firm and most specifically, the accomplishment of enterprise goals and objectives. In order to understand why certain features of management systems work well and others poorly, the goal-setting machine (top management) must be aware of behavioural assumptions and related management theories. They must be able to recognize why some dysfunctional attitudes or illicit acts may plague the management system and what must be done to overcome them.

Value systems and related theories have created the typology of management systems, viz: Authoritarian management system and humanistic management system.

2.4.2 Authoritarian Management System

Authoritarian management system is also known as traditional management system or autocratic management system. It is a management system in which employees of an organization (subordinates inclusive) are required to obey authority and rules even when these authority and rules are

unfair and cause the employees to lose their personal freedom (Umo, 2023) ^[17]. Authoritarian management system is anchored on the behavioural assumptions and tenets of the Scientific Management School that flourished in the early part of the 20th Century (the Classical Era) pioneered by Adam Smith (the classical economist), Frederick Winslow Taylor (the father of Scientific Management) and their contemporaries. Some of the basic assumptions are as follows:

- People work principally for money and do not derive intrinsic satisfaction from work.
- People are generally lazy, inefficient and apt to avoid working unless closely supervised.
- Two important functions of management are to control workers through close supervision and to find more efficient ways for workers to accomplish their tasks (especially by making their jobs simpler)
- The role of finance department is to provide managers with information that helps to control their subordinates by highlighting inadequate performance (Bateman & Zeithml, 2019; Umo, 2022) ^[4, 17].

Because authoritarian management system is close and secret, employees usually behave dysfunctionally. The system does not always work. It is associated with imposed corporate plans and programs, anxiety, lack of trust and confidence, disillusion, alienation, demotivation, declining productivity and informal group formation. Sometimes, employees succeed in circumventing the management system.

2.4.3 Humanistic Management System

After the classical era, there arose major studies on human motivation necessitated by the need to increase employees' productivity during world war II and the year 1948 marked the genesis modern theories of management system and the consequent emergence of humanistic management system (Umo, 2022; Rachman & Mescon, 2021) ^[17, 12]. Humanistic Management system is "employees centred management system". It is also known as participatory management system or "changee-oriented management system".

Humanistic management system is a part of strategic management concerned with allowing individuals who are accountable for activities and performance under a corporate plan to participate in the decisions by which that plan is established. It recognizes the human aspects of motivation and is rooted on the premise that the more employees felt they are participating in the determination of corporate goals and objectives, the more they work towards the realization of the goals and objectives. The need for involvement, commitment and not the least participation of subordinate managers and employees in developing corporate plans and programs that affect them is viewed as a vital feature in modern management system.

Indeed there is a widespread belief and belief is the appropriate term, that the participation of all levels of the organization in setting their corporate plan is a panacea: A cure for all the many ills which have been associated with authoritarian management system.

In this paper, humanistic management system means "real humanistic management system" and not "pseudo humanistic management system". Real humanistic

management is a system of joint decision making by two or more parties in which the decisions made have future effects on those making them (Umo, 202).

Modern theories of management system are diverse and no single set of assumptions can best describe the entire field. The assumptions below are the ones associated with the humanistic management system and also relevant to the purpose of this paper:

- People work for many reasons, including satisfaction. They are motivated by a variety of needs which differ in relative importance over time.
- Managers, usually, cannot be effective unless their subordinates accept their authority and believe that they will advance their own goals if they work towards their superior's goals.
- Finance department should serve to communicate and provide feedback that allows people to perform better. Finance staff should recognize that the information they present and the ways that they present it can affect the behaviour of people receiving the reports (Umo, 2022)^[17].

Whichever manner is used, management system influences morale and productivity of employees regardless of the position in the enterprise.

2.5 Related Theoretical Review

This section discusses the related motivational theories of management system namely the Needs Hierarchy Theory, McGregor's Theory X and Theory Y and the Goal-Setting Theory.

2.5.1 Needs Hierarchy Theory

Abraham Maslow was the proponent of Needs Hierarchy Theory. He proposed that people's behaviour is determined by a wide variety of needs which he illustrated using a ladder called Maslow's Hierarchy of needs. From his hierarchy of needs, it is deducible that people have many needs belonging to five levels (physiological, safety, social, esteem, self-actualization) that are categorized into two viz: Lower order need (LON) and higher order needs (HON). More also, a human being is a "perpetually wanting animal" and when needs on lower level have been satisfied, at least in part, a person begins to strive for the next rung on the ladder. Employees are motivated to satisfy lower-order needs before they strive to satisfy higher-order needs. But once a need is satisfied, it loses the power to motivate.

Maslow sensitized managers to the importance of personal growth and self actualization (social and personal) needs. He added, the more needs that working satisfies for people at all levels, the better their productivity will be at workplace (Umo, 2022)^[17].

2.5.2 Theory X and Theory Y

Douglas McGregor built on the foundation laid by Maslow and wrote on "The Human Side of the Enterprise". He affirmed that satisfied needs cannot serve as motivators. Poorly paid workers maybe inclined to work harder for more money than well-paid ones. He further argued that traditional management theories focus almost exclusively on lower-order needs and employees are expected to satisfy their higher-order needs away from work. Thus, he commented that managers complained that they paid their

workers well and provided good job security but suffered poor productivity. McGregor classified his work under the framework of Theory X (which is synonymous with the tenets of authoritarian management system) and Theory Y (which is associated with the assumptions of humanistic management system).

In summary,

- Theory X shows that most employees prefer to be directed and are not interested in assuming responsibilities. Such employees are motivated by money, fringe benefits and the threat of punishment.
- Theory Y affirms that employees can be basically self-directed and creative at work if properly motivated.
- McGregor's recommendations highlighted two important aspects of management viz: Job enlargement and humanistic management system. Job enlargement allows employees to control the way they work. Humanistic management system is consultative, participatory and contributory. It boosts work morale, motivation and spirit and productivity by bringing employees (subordinate managers inclusive) into the stream of decision making process (Umo, 2022)^[17]. It makes management strategically humanistic.

2.5.3 Goal Setting Theory

Goal Setting Theory is one of the most acceptable motivational theories. It constitutes the bedrock of humanistic management system because it identifies the two major actors (key players) in the management system of firms, viz: The goal-setting machine and the goal-achieving machine (Umo, 2022; Umo, 2023)^[17, 18]. The top management, also called changer, constitutes the goal-setting machine while the employee (subordinate managers inclusive) who are collectively known as changee represent the goal-achieving machine. Goal setting theory states that goals must not only be set but must be achieved (Umo, 2022)^[17]. It revolves around the goals stream cycle of firm (goal setting, goal acceptance, goal internalization, goal congruence and goal achievement) (Umo, 2022)^[17].

Goal-setting theory, focuses enterprise activities in one direction and management should strive to achieve the associated benefits of goal-setting theory namely direction, effort and persistence (Umo, 2023)^[18]. But the midpoint between goal-setting and goal achievement is acceptance of the goal by employees directly affected by the plan containing the enterprise goal. The term "Employees" is much wider than mere surface translation of being enterprise members engaged in creation (fabrication) of goods and services for society consumption. They constitute human component of the organization whose behaviours affect all elements of the goals stream cycle. They remain the changee in the human side of the enterprise:

No matter how much power a changer may possess; no matter how authoritarian he may be; it is the changee who controls the final change decision. It is the employee, even the lowest paid one who ultimately decides whether to show up for work or not.

2.6 Related Empirical Studies

Table 1: Associated Empirical Framework

Research Topic	Submissions/Inferences	Source
Tosil, H. (1989) as further espoused by Caroll, S. J. (2011) “The Human Effect of Planning System of Management”	<ul style="list-style-type: none"> Corporate plan has motivational effect on employees The more employees participate in corporate plan formation, the more they work towards the realization of goals set in the corporate plan 	Umo, U. P. (2022) ^[17]
Umo, U. P. (2015) “Impact of Employees’ Behaviour on Budgetary Performance of Manufacturing Companies”	<ul style="list-style-type: none"> There exists significant direct relationship between employees’ behaviour and budgetary performance in manufacturing firms Nigerian Manufacturing firms are characterized by counterproductive behaviours and illicit acts, authoritarian management system imposed budgets and false estimates. Production capacity of Nigerian workers and resources is underutilized and this leads to poor productivity 	Umo, U. P. (2023) ^[18]
Ogunnika, O (1994) as further elaborated by Umo, U. P. (2014) ^[15] ‘Labour and Management in Nigeria: A critique of Conventional Management Theory ‘	<ul style="list-style-type: none"> Nigerian firms operate authoritarian management system Corporate plans and programs in Nigerian companies are autocratic <ul style="list-style-type: none"> Participatory management system is a panacea 	Umoh, U. P. (2014) ^[15]
Umo, U.P. (1999) “Impact of Budgetary process on the Morale, Motivation and productivity of Employees”	<ul style="list-style-type: none"> Participatory budgetary process boosts employees’ morale Participatory budgetary process enhances employees’ motivation. Participatory budgetary process relative to morale and motivation improves productivity 	Umo, U. P. (2022) ^[17]
Elton Mayo (1966) as further expanded by Umo, U. P. (2023) ^[18] “Hawthorn experiment: Human Relations Approach to Organization Participants”	<ul style="list-style-type: none"> Participatory management system recognizes the human elements of motivation. There is significant positive relationship between productivity and participatory management system of a congenial cohesive group of organizational participants 	Umo, U. P. (2023) ^[18]

3. Nigeria Mirrored in Relativity

Nigeria is a developing economy. It is one of the countries in the world facing economic recession (less trade and industrial activity than usual coupled with unemployment). Corruption had been and it is still one of the factors responsible for morale decadence and resulting productivity downturn in Nigerian firms. This is more so when employees become aware of the huge corruption going on within and amongst the managers or accountants who impose their corporate plans, policies and programs on them. The production capacity of Nigerian workers and resources is underutilized.

After Independence and over the past years Nigeria suffered corruption and some other decadence in various aspects of her national life most especially during the prolonged period of military dictatorship under various heads. The political and business climate had become so bad that by 1999 when the nation returned to democratic rule, and even in subsequent years, many administrations inherited a pariah state noted to be one of the most corrupt nations of the world (Umo, 2021)^[16].

Some related symptoms of the neo-colonial era that persisted have been highlighted:

- We are living witnesses to the mind boggling revelations about how leaders of the second Republic noted for their bogus democratic rhetoric’s looted the national treasury in alliance with their friends, blood relations and concubines.
- On the three seminars and workshops organized by the Ruling Peoples Democratic Party (PDP) in 1999 tagged “Agenda for the President”, the overwhelming view of the discussants was that “15 years of uninterrupted military rule had brought Nigeria to its knees”.
- Billboards are planted by antigraft/anticorruption agencies (EFCC, ICPC inclusive) at strategic positions along public highways and in urban centres calling on members of the public to supply useful information about corrupt members of the public. This adds to the fact that corruption in the Nigerian society has raised

tremendous concern.

- Till today, the principal actors within the corridors of authority and control over business funds worship money and would do everything to get their hands on business money.

Nigerian firms must be discussed in this direction. Budgets are deliberately cooked and released wily-nily, estimates are falsified and creative bookkeeping has come to stay in many business institutions. Enterprise budget is operated as a personal allocation. Because this is allowed, extra-budgetary spending has become a practice in many Nigerian firms. It is neither seen as a shameful act nor considered as immoral behaviour. To this end, the figures fail to add up, but convincingly they do in the private accounts of chief executives to which the funds have been diverted. This is a basic problem that must be addressed (Umo, 2021)^[16].

Employees no more consider the work as theirs. They say the work belongs to the management, directors and the Board. The average Nigerian worker is disillusioned in the face of dreadful corrupt practices. He feels disappointed and frustrated. Anxiety is raised, morale is dampened, alienation sets in and the worker regresses. In his research work on “Labour and Management in Nigeria”, Ogunika (1984) as further elaborated by Umo (2014)^[15], one of the responses made by a worker in a Nigerian Textile Factory studied was recorded: If one ask of one month’s salary advance, the accountant will say “NO”. But the accountant gives advances for people at the top to take their lovers to hotels. Umo (2021)^[16] added: The accounts of these business organizations refuse to balance, but they add up in the private accounts of business executives, friends and concubines.

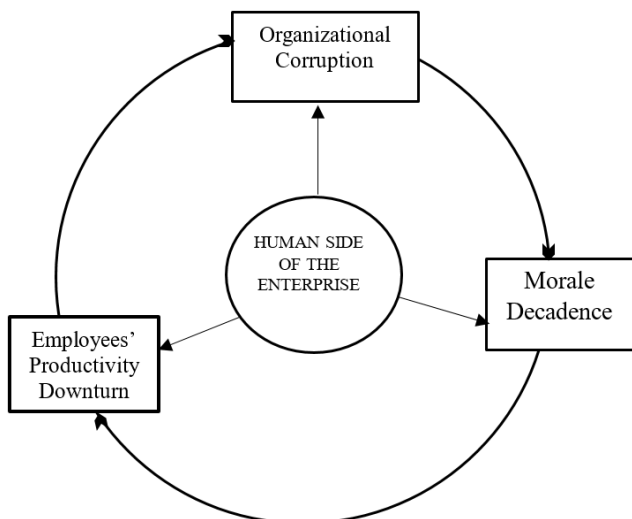
Integrity base of Nigerian firms is threatened by corruption. Many Nigerian firms are identified with significant fall in moral inclinations and ethical conduct. The management of Nigerian firms believes that authoritarian management system is the answer. They hide behind their traditional assumptions and conventional theories to accuse the poor,

innocent and hungry looking workers of indiscipline, in justification of their authoritarian management system. This is traced to be a matter of Nigerian Ideology and cannot absolve Nigerian firms of unethical leadership, non-transparent administration and corrupt practices. The pangs of corruption coupled with morale decadence had left many Nigerian firms on the threshold, if not travail of woes for investors. The organizational consequences of corruption have ravaged the corporate scene in Nigeria.

From the aforesaid, organizational corruption hurts employees' feelings resulting in morale decadence. Productivity downturn in employees springs from morale decadence and this culminates in corrupt practices. The cycle continues and this mirrors the vicious circle of corruption in the human side of the enterprise.

4. The Vicious Circle of Corruption in the Human Side of the Enterprise

The vicious circle of corruption is a loop that establishes the relationship between organizational corruption, morale decadence and productivity downturn in the human side of enterprise.



Source: Researcher's Creativity

Fig 1: The Vicious Circle of Corruption

The human side of the enterprise comprises of the top management and employees' (subordinate managers inclusive) and corruption hurts employees' feelings and this leads to morale decadence. Morale decadence disrupts employees' productivity potential and this results in employees' productivity downturn. Production capacity of workers and resources is underutilized and this culminates in firm's poor financial performance (most specifically, low turnover and regressive profitability index). Poor performing firms is a home for poorly paid workers. Poor workers are unhealthy and hungry looking and, in turn, they use more bribery, fraud and other corrupt practices as the prescription to cure their poverty and other financial ailments. The cycle continues.

5. Conclusion and Recommendations

5.1 Conclusion

In any business institution that corruption persists, corporate transparency, morale, motivation, goals cycle and team spirit usually suffer. Nigerian workers are, therefore, ready

to be productive and put forth their best performance if, and only if, they are able to determine why the need to be productive. The presenter has found one of the innovations needed in the management systems of firms. This is called humanistic management system.

5.2 Recommendations

1. Firms should relinquish authoritarian management system and embrace humanistic management system in order to reap the benefits associated with it.
2. Moral standards should not only be set but must be practised in firms.
3. Combating corruption should be seen as a challenge in business institutions. Government should develop strong legal environment while firms should maintain strong internal control system.
4. Image of the organization should be protected. Organizations should resist all manners of corruption. No room should be left for managers to tarnish the reputation of the firm. Dangers of corruption must be taught to all levels in the organizations.
5. Since corruption will have enduring impact as long as the firm exists, perpetrators of corruption should be shown the way out in order to restore sanity, trust and confidence in firms.
6. Morale survey should be embraced and encouraged in the lives of business organizations.
7. Workshops should be organized to educate enterprise managers on modern management strategies and motivational theories.
8. Standards should be created concerning auditors' responsibilities to detect errors or irregularities and a commission should be formed to search for fraud.

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