INDEPENDENT JOURNAL OF MANAGEMENT & PRODUCTION (IJM&P)
http://www.ijmp.jor.br v. «Vol», n. «Num», «Mês»
ISSN: 2236-269X
DOI: 10.14807/ijmp.v«Vol»i«Num».«Codigo»

An ethics crisis and corporate failure in food and beverage companies. evidence from Zimbabwe

Albert Nhete
University of Botswana, Botswana
E-mail: nhetealbert@gmail.com

Submission: 8/19/2021
Revision: 12/1/2021
Accept: 12/9/2021

ABSTRACT

Lack of adherence to ethics and principles appears to have been one of the main causes of corporate financial distress around the world. A lot of unethical practices have contributed to revenue leakages and reluctance by investors to buy a stake in food and beverage industry in Zimbabwe. The prevalence of unethical practices, illegal behavior, and illicit and deceptive practices in food and beverage companies is an unsolved issue. The aim of the research was to find out the effect of ethical problems on a company's financial performance in the food and beverage industry. The high failure rate of brands in food and beverage companies has given researchers an interest in investigating the impact of ethics on the financial performance of a company. Due to the diverse nature of the food and beverage industries, an action research inquiry of 20 interviews and 100 questionnaires was conducted. A mixed-method convergent approach was used to analyze collected data using questionnaires and interviews. Findings from the study suggest that there is a strong positive relationship between the ethical conduct of employees, managers, and business conduct and the financial performance of a food manufacturing company. The study results show that ethical branding significantly enhances the firm's reputation, and a good reputation reinforces the brand in turn. Ethical branding can provide the company with a distinct advantage as a growing number of consumers become more ethically conscious. It is therefore recommended that ethical issues be considered in all company departments and embedded into the total quality management processes of an organization as they affect potential investors and customers.

***Key words**: Ethics Crisis, Corporate failure, food and beverage, Zimbabwe*

1. INTRODUCTION

This study was conducted to investigate the impact of ethics on the performance of a few businesses in the food and beverage sector in Zimbabwe. In the current brand models, the value of brand equity is defined and measured by its economic performance in financial terms. Lack of adherence to ethics and principles appears to have been one of the main causes of corporate financial distress around the world. Unethical practices have wiped out some of the biggest companies, such as Enron, Wells Fargo, Ferrero USA, and Barynx. Ethics involves fair treatment and payment of employees (Frenkel, 2015), and that products are manufactured using sustainable and responsible means (Akamp & Muler, 2016).

This supports the statement by Wanyama (2014) that social and environmental aspects have been considered for workers and the community. The three big food and beverage companies in Zimbabwe investigated in this study are Dairiboard, Colcom, and Delta Corporation. Dairibord Zimbabwe Ltd is the largest dairy company in Zimbabwe, Africa's southernmost country.

There are many branches of the company throughout the world. Currently, Dairiboard has major factories in Bulawayo, Harare, Gweru, and Chipinge. Lyons Zimbabwe is also developing food and baked goods products. The company is classified into three categories: oils, foods, and drinks. The liquid milk includes fresh milk, Steri Milk, Lacto, and Chimombe. Foods include ice cream and confectionary such as choc-Ice.

Dairiboard launched a new offering, namely, Pfuko/Uduwo Maheu, to add to its line of products. Earnest and Young Chartered Accountants Zimbabwe issued an adverse opinion on the consolidated Dairiboard Financial Statements due to material misstatement, whether due to fraud or error (Auditors Report, 2019). The report further pointed out that the company failed to comply with IAS 21 (Effects of Changes in Foreign Exchange Rates).

There were concerns raised that some depots were using incompetent and unethical suppliers. This might have contributed to Dairiboard Zimbabwe, Chitungwiza Depot having incurred losses for 4 consecutive years due to poor quality products and decreased market share (Dairiboard Zimbabwe Ltd Report, 2018).

Colcom is involved in the manufacture and processing of meat products such as pork and sausages. It is an economical food that includes meat, pork, and other provisions. At this bakery, just hams, bacon, and fresh and fried sausages are served. For the last twelve months, the organization has been undergoing a graft crisis.

Delta Corporation is a beverage and alcohol company in Zimbabwe. Delta is based in Harare and works in Zimbabwe. Delta Corporation of Zimbabwe had a dominant role in the

ISSN: 2236-269X
DOI: 10.14807/ijmp.v«Vol»i«Num».«Codigo»

industry for several years before its inability to achieve its expected predictions. If brand output is diminishing, sales are decreasing. Earlier in 2014, Delta, the largest firm on the Zimbabwe Stock Exchange by market value, announced disappointing financial results for the fiscal year ending March 2014, with revenue falling by 1% due to poor aggregate demand.

This point of view was reflected by individuals such as Manrai and Manrai (2007), who advocated for the substitution of a best-selling promotion mix with a positive result-based promotion mix and Keller (2009), who endorsed that a company has a partnership with the goods or services it provides and that the corporate brand should portray all of these positively. It is also important to understand corporate ethics because of the effect that ethical compliance has on sales and profit margin.

The prevalence of unethical practices, illegal behavior, and illicit and deceptive practices in food and beverage companies is an unsolved issue. Lack of adherence to ethics and principles appears to have been one of the main causes of corporate financial distress around the world. Corporate ethics plays a crucial part in developing, building, and sustaining long-term consumer relationships (Madhani, 2016).

Ethical marketing practices are a significant component of an organization's performance since they impact the organizations' skill at establishing good connections with consumers, and consequently, it is one of the organizational drivers for improving sustainable customer value. A lot of unethical practices have contributed to revenue leakages and reluctance by investors to buy a stake in the industry.

Despite that, a lot of money has been spent on brand growth and revitalization by major food and beverage companies, but all these investments have not yet recovered due to negative publicity in newspapers. On the same note, dishonest corporate behavior has also been blamed as a significant factor in brand failures, corporate failures, and poor profit margins (Cohen, Ding & Stolowy, 2010).

Business ethics in food and beverage companies need to be improved for them to stay afloat in highly competitive international markets. Some unethical practices manifest in the form of deceptive trading activities that include commodities imitating, misrepresentation, creative accounting, bribery, and corruption. The situation has escalated due to some business leaders' involvement in corruption.

http://www.ijmp.jor.br v. «Vol», n. «Num», «Mês»
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The anti-corruption campaign resulted in a number of business managers being jailed across the world. However, despite the availability of codes of conduct in food and beverage companies, unethical activities by business players are on the rise and have re-evolved into a serious problem.

The high failure rate of brands in food and beverage companies has given researchers an interest in investigating the impact of ethics on the financial performance of a company. It is therefore necessary to determine the impact of ethics on the financial success of food and beverage firms in order to propose lasting solutions. The study therefore sought to answer the questions:

- **RQ1.**What is the effect of ethical branding and financial performance?
- **RQ2.**Is there a relationship between unethical practices and corporate failure?

The study was concerned with the ethical impact on financial results. In this contemporary competitive economy, business ethics is becoming increasingly important due to the influence of globalization, technology, consumerism, and the large number of different crises that we face today. As such, consumers are becoming increasingly more aggressive about marketing in general. Both these have influenced customer choices, which are more sceptical than ever. In developing countries like Zimbabwe, the food and beverage industries have major issues regarding ethics. The next section reviews literature related to the study.

2. THEORETICAL BACKGROUND

The study of ethical branding is a field of certain diversity. The terminology used in the literature differs depending on the scholar, and the nature of their analysis. There appears to be no single agreed-upon specification for the definitions and meanings of these terms (Keller, 2009).

The definitions of brand worth and brand equity have not been adequately established, and each researcher has a different opinion about them based on (Winters, 1981). However, according to Wood (2000), brands should be managed as long-term assets of the business.

According to Toivonen and Tuominen (2009) and ElTawy and Tollington (2008), the sense of the words is also affected by the fact that branding is studied not just in the field of marketing, but also in the accounting realm. Brands go beyond value-added products; they now include ethics, culture, and lifestyle.

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While brands have been widely studied for their financial and marketing aspects, they are yet to be understood as a social construct (Mogali & Danbury, 2017). Ethics range from a variety of issues which involve fair treatment and payment of employees (Frenkel, 2015), manufacture of products in a sustainable and responsible means (Akamp & Muller, 2016; Andersen & Skjoett-Larsen, 2009) as well as distribution, promotion of products. Wanyama (2014) added that ethics involves consideration of environmental and social considerations towards employees and the community in general. Many companies have ignored the role of ethics in the success of their products and services.

However, brand owners see a brand as a differentiation device: the living legacy and the future of its commodities, which are now and will be forever in the future. "Ethical marketing" is a subset of marketing that applies to particular ethical criteria with brand decisions.

Ethics in branding is a multifaceted subject and can be understood in several forms with the main ones being:

- Internal and external clients.
- Product versus corporate branding.

An ethical brand represents a business, entity, or individual whose goods, services, and practices conform strictly to ethical principles. In simple terms, it means doing business in a way that does not do any harm to humans, wildlife, or the environment and contributes to society, the environment, and the economy in a responsible, constructive, and sustainable manner.

2.1. Causes of Unethical Behavior

A company's success and sustainability may be negatively affected when unethical strategies and policies put in place fail to curb unethical practices. However, in order to curb unethical practices, the root causes need to be ascertained first. According to Maseko (2017), the factors which contribute to unethical behavior are: fraud, negligence, unfair treatment of contractors, conflict of interest, corruption, financial accounting integrity, bribery, unfair conduct, embezzlement, late and short payments, cover pricing, violation of environmental ethics, bid cutting, poor documentation, lack of safety, overstatement of capacity, falsification, and collusive tendering. The root causes of unethical practices are:

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- Mandatory quieted and unfairness (Kang, 2010)
- Egocentrism, greed and self- justification (Belle & Cantarelli, 2017).
- Gaps or loopholes (Tsegba, Uppa & Tyoakosu, 2015)
- Insufficient ethical education (Abdul-Rahman, Wang & Saimon, 2011)
- Fierce competition (Abdul-Rahman, Wang & Saimon, 2011)
- Culture (Hershfield, Cohen & Thompson, 2011; Al-Sweity & Enshassi, 2013)
- Unrealistic targets and fixed deadlines (Nkundabanyanga, Omagor & Ntayi, 2011)
- Insufficient legislative enforcement and unhealthy management (Arain, 2008; Yeslam, Burmeister & Weckert, 2015)

2.2. The Conceptual Framework

Based on a study of the literature, this section suggests a conceptual framework based on ethical branding viewpoints and the financial success of food and beverage companies, as seen in Figure 1. Based on the theoretical analysis, we suggest that insight gained from internal stakeholder relationships, along with good employee relationships and high-quality ethical brands, adds to a company's financial results. This study investigates the diverse causal conditions that lead to the performance of results in the food and beverage industries.

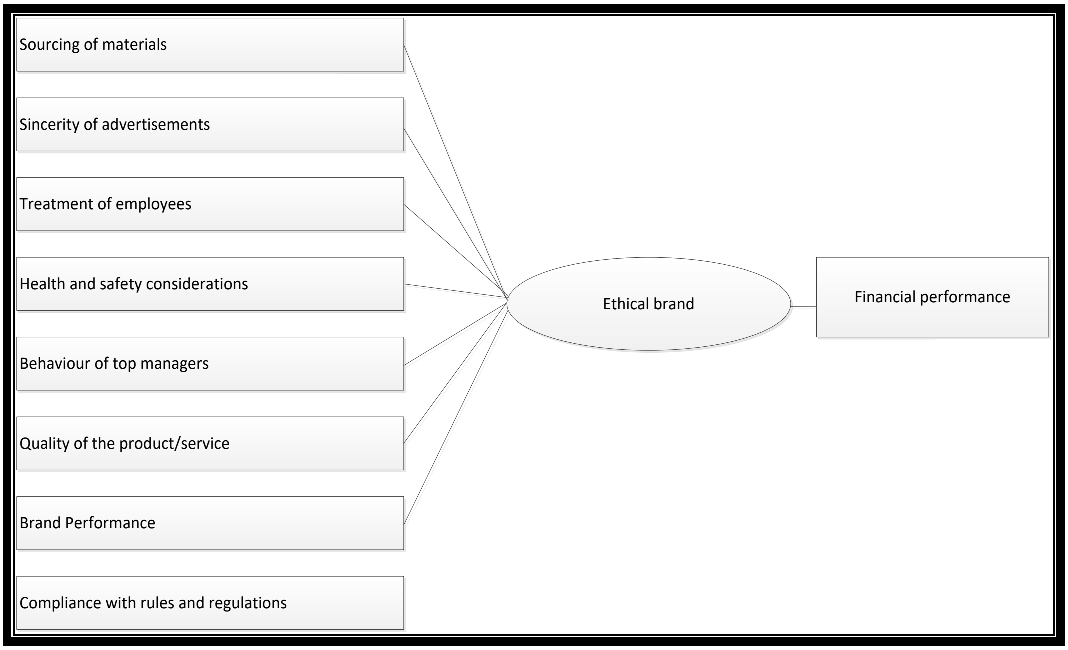

Figure 1: The Conceptual framework

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The research hypothesizes are as follows:

- H1. There is a significant influence of ethical branding and financial performance.
- H2. There is a significant influence of unethical practices on corporate failure in food and beverage industry.

3. METHODOLOGY

This section provides the details on the systematic collection, analysis, and interpretation of data that were useful to address the research on the impact of branding ethics on food and beverage companies, with Dairibord, Colcom, and Delta Beverages as case studies. In this study, a mixed-method approach was used to collect data through the distribution of closed-ended questionnaires and interviews with food and beverage company employees and customers.

A mixed methods approach was chosen to minimize the weaknesses of each method and provide a better way of examining the effect of ethics from two perspectives (Cameron & Molina-Azorin, 2011; Cresswell, 2018). The interview sought to describe the meanings of central themes in the lives of the subjects. On the other hand, quantitative research focuses on the measurement and analysis of causal relationships between ethics variables in such a way that the research is not affected by the beliefs and values of the researcher (Bryman & Bell, 2015).

The main source of data was primary data. This refers to the original and raw data collected by the researcher using questionnaires and interviews. This data is captured at the point of origin for specific use. The primary data was collected from close stakeholders of the companies. Secondary data sources such as auditor’s reports will also be used.

In this study, the target population was comprised of Dairibord, Colcom, and Delta employees as well as corporate and individual customers. The rationale for selecting these special interest groups was based on the premise that they were directly affected by the activities of the companies. A total of one hundred and five questionnaires were distributed and surveyed through different centers in Harare and Chitungwiza.

Of the hundred who participated in questionnaires, thirty were employees, while the other seventy were customers at distribution centers, and 20 interviews were conducted at three main locations. Myers (2010) explained sampling as the process of obtaining a fraction of the population studied. Probability sampling techniques such as systematic random sampling and simple random sampling were found to be inappropriate for this study.

The researcher initially segmented respondents on the basis of location. As such, two distinct strata were identified, namely the external group, composed of corporate and individual customers, and the internal group, made up of the board of directors, management, and employees.

The external group was stratified into two distinct groups, namely corporate customers and individual customers. The internal group was stratified on the basis of position within Dairiboard, Colcom, and Delta. Hence, three strata were derived, namely, employees from all three companies.

A postal questionnaire was used as they can contact a large number of people at a relatively low cost, and respondents are able to complete postal questionnaires in their own time and telephone call-backs can be arranged for a more convenient time. The use of face-to-face interview was justified as the interviewer could explain complex questions necessary to the interviewee.

Statistical Techniques

After coding the mathematical methods, regression and correlation were used to analyze the data using the SPSS version 20 software. The study findings are summarized in graphs, frequencies, percentages, and diagrams as required. The results are reported in quantitative form due to the need to collect figures. These methods are simple to understand and apply.

4. RESULTS

Results are presented, discussed, and analyzed in this section. The results of quantitative and qualitative studies are discussed together with facts in the literature reviews. Although the customer's interviews and questionnaires at selected distribution outlets were carried out separately, the results were integrated to provide a meaningful answer to the problem under study. The main study was carried out as planned. Interviews were held at Colcom outlets, Dairiboard Chitungwiza depot and Delta Beverages in the Chitungwiza industrial area. Seventy respondents participated as planned. For comprehensive analysis, participants were grouped according to age groups.

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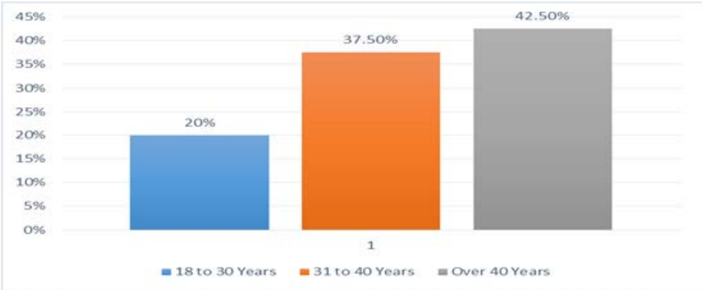

Figure 2: Respondents by Age

Figure 2 shows that 20% of questionnaires were aged between 18 and 30 years, 37.5% were aged between 31 years and 40 years, and 42.5% were over 40 years. Although the interviews were held at different places, the results were collected and analyzed together. Most of the people interviewed were professionals and educated people. To reduce bias, all the age groups were considered.

4.1. Perception on Beverage Advertisement and Consumption

The aggressive promotional strategies adopted by food and beverage manufacturers have contributed to the growing concern about public health. Customers were asked to determine their perception of alcohol advertisements and consumption. The results show that eighty percent were against alcohol advertisements and consumption. Most consumers approach advertising with a healthy degree of scepticism.

Even the least informed consumer knows that not every claim made by every advertiser is true. The chart and bar graph below show just how sceptical consumers really are. Fewer than 20% of respondents believed in advertising claims. It is clear that consumers have become cynical about the advertisements they see. Ethical marketing can be an effective way to restore some of the trust that has been lost between consumers and advertisers.

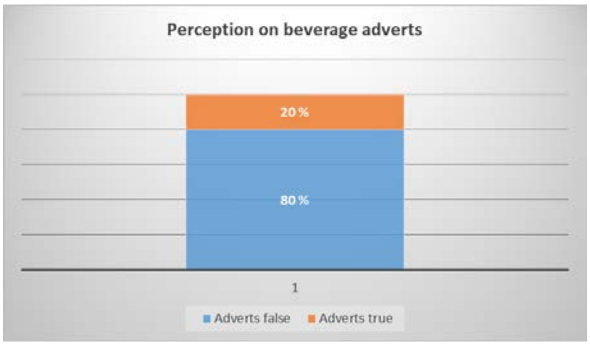

Figure 3: The perception on beverage adverts

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Figure 3 shows that 80% of the population were comfortable with beverage promotions. Most of these were young people below the age of thirty. However, twenty per cent, mostly aged over thirty years, were against beverage advertisements, saying they misrepresented facts. They pointed out that beverages affect behavior and people's health.

4.2. Ethical Brand Effect and Buying Decisions

Customer's feedback was grouped into three categories: strongly affect little effect and no effect.

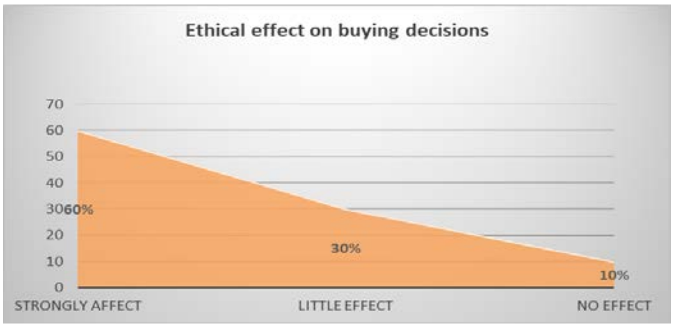

Figure 4: Effect on Ethical Issues on buying decisions

Figure 4 shows that 60% of customers strongly consider ethical issues in their buying decisions. Forty per cent do not consider ethical issues to be very important. The customers undergo a decision-making process before making final purchase decisions (Carrington, Neville & Whitwell, 2010).

Customers consider so many factors, one of which is ethical issues and company reputation. Individuals may make purchasing judgments in this setting by analyzing many aspects of the augmented product offering, including its ethical characteristics (Brinkmann & Peattie, 2008).

Whetten and Mackey (2002) define "company reputation" as a particular type of feedback received by an organization from its stakeholders, concerning the credibility of the organization's identity claims. Wartick (2002) proposes that a company's reputation is derived from perceptions of all stakeholders, indicating that corporate reputation and corporate performance might enjoy a close relationship, particularly from the aspect of social performance.

4.3. Ethical Branding and Corporate Reputation

Corporate reputation can be defined in terms of a number of attributes that form a buyer's perception as to whether a company is well known, good or bad, reliable,

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trustworthy, reputable, and believable (Levitt, 1965). Fan (2005) defines corporate reputation as "how people feel about a company based on whatever information (or misinformation) they have about the company's activities, workplace, past performance, and future prospects".

According to Keller (1998), a socially responsible corporate image association involves the creation of consumer perceptions of a company as contributing to community programs, supporting artistic and social activities, and generally attempting to improve the welfare of society as a whole. The core of the ethics and compliance program guides its business conduct, requiring honesty and integrity in all matters.

All of our associates and directors are required to read and understand the Code and follow its precepts in the workplace and larger community (cocacola.com).The study found that unethical practices are still common in food and beverage companies such as Colcom, Delta Beverages, and Dairibord, despite the companies' having codes of conduct that are against bribery, corruption, and false advertisements.

A company with a bad reputation will have a hard time holding onto customers and attracting top talent. Ethical marketing practices stress openness, reliability, and accountability in personal and organizational marketing policies and activities that demonstrate both integrity and justice to customers and other stakeholders (Madhani, 2016). A lot of customers care about ethics. The 20 people were interviewed for the survey and they were asked questions about brand ethics and how it affects their purchase decisions. During the study it was found that:

- When it comes to making a buying decision, 95% of customers rated brand behavior as an influencing factor.
- 65% of people would like to hear more about the actions of an organization before buying.
- 70 percent state that many consumers take ethics into account before purchasing the products of a company. These benefits accrue as a result of the pleased customer's favorable effect on future shopping behavior (Madhani, 2016).
- 50% of the sample have no problem with alcohol marketing.
- 65 percent believe that food and beverage companies should be playing a part in the general wellbeing of their area and the community.

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Unethical marketing practices result in a variety of issues for businesses, including a lack of consumer trust, ruined customer relationships, decreased customer retention, and decreased revenues (Jones et al., 2005). Unethical sales activity has a detrimental effect on the firm's profitability (Madhani, 2015).The findings can give companies something to think about. It also sends a clear message that integrity and a commitment to ethics are great ways to market a brand and communicate with the public.

4.4. Internal stakeholder's perceptions

Data collected from questionnaires was analyzed using SPSS. Thirty employees and managers were interviewed as planned. Most of the participants were drawn from human resources and marketing departments.

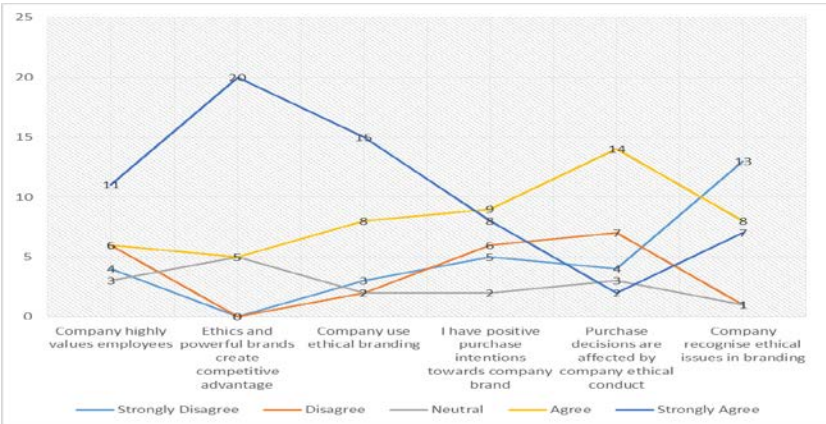

Figure 5: The internal stakeholder's perceptions on ethics in food and beverage companies.

Employees were asked about how the company is treating them, since motivation has a significant impact on the company's reputation and performance.

Evidence in the table shows that 56.7% are satisfied with the company. Thirty-three percent clearly indicated that they are not satisfied with their jobs. Due to the diverse nature of employees' needs, as indicated by Maslow, the company cannot satisfy them all. However, the information above shows that food and beverage companies highly value their internal customers. Also, employees were asked for their view on the impact of ethical branding on competitive advantage.

Table 1: Ethical Branding Equation

Ethics Plus Branding Equals Competitive Advantage						
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Agree	25	83	83	83
	Strongly Agree	5	17	17	100
	Total	30	100	100	

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Findings from Table 1 above show that 83% agree and 17% strongly agree that a combination of good business ethics and strong brands can result in a competitive advantage. This is consistent with Fan (2005), who pointed out that an ethical brand boosts the firm's reputation, which in turn supports the brand. On the other hand, unethical behavior will significantly harm or even destroy the overall intangible asset, as recent high-profile business scandals demonstrate.

The business's ethical reputation generates consumer trust, which results in customer happiness and loyalty to the organization, therefore generating competitive benefits (Madhani, 2016).

Table 2: Correlation between Ethical branding and Employee satisfaction

	1	2	3	4
1.Ethical branding create competitive advantage	1			
2.Company highly values its employees	0.695	1		
3.Company is a market leader	0.545	0.345	1	
4. Company enjoy high profits	0.632	0.332	0.494	1

Employees responded to questions about their level of satisfaction, and information was tabulated. The correlation coefficient of 0.693 indicates that there is a strong positive relationship between employee satisfaction and the ethical branding of companies in the food and beverage industry. High employee satisfaction helps to boost the performance of an ethical brand.

The results indicate that companies that value their employees perform better than other companies and, in the end, become industrial leaders. A correlation coefficient of 0.132 shows that there is a weak positive relationship between employee satisfaction and company performance. This indicates that employee satisfaction has little effect on company performance. The study's findings lead us to reject the null hypothesis in favor of an alternative hypothesis. We therefore confirm that there is a relationship between ethical branding and the financial performance of food and beverage companies. It follows that unethical practices have contributed greatly to the corporate failure of companies in the industry.

5. DISCUSION

This section discusses the study findings. It ends with a summary of the research conclusions and the recommendations. Also, it shows the research problem tackled, the research methodology used and its limitations, and the major findings of the study.

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The study is set to investigate the impact of ethical branding on the competitive advantages of companies in the food and beverage industry. A sample of 70 external customers from three different places was used, and the methodology was descriptive. The research was prompted by brands that were failing to survive in the competitive environment. Most of the brand failures were reported by food and beverage companies.

Evidence from findings on the table shows that employees in food and beverage companies are not satisfied and feel that they are not being valued. However, according to Rezaee (2009:301), "employees are one of the important stakeholders of corporations whose production and efficiency contribute to the bottom line of increasing firm value". It therefore follows that an ethical war cannot be won without the involvement of employees.

Findings show that the available codes of ethics are not being fully implemented by companies. The results of the Cohen, Ding, and Stolowy (2010) analysis discovered that auditors could measure the ethics of management across the components of the planned behavior theory: personality assessment, subjective expectations, perceived behavioral control, and moral obligation. It is also potentially important that best standards related to the detection of fraud increase the emphasis on the behavior of staff who might be identified with unethical behavior.

According to the findings of this study, product and service quality can also play an important role in consumer markets, influencing ethical brand and company reputation. A brand, when controlled, appears to play a significant role in the business market. This study demonstrates that ethical branding is a significant component as a mediating variable in the model of corporate and consumer buyers. Therefore, a strong brand embedded with ethical consciousness values is counted as a valuable asset for a company (Fan, 2005) to achieve a good reputation. Based on the findings, the following recommendations can be given:

- Employees should have a stake in company ownership to prevent unethical decisions and conduct which is associated with principal agent problem.
- Employee participation and involvement in corporate governance and ethics can play an important role in the implementation of ethical decisions.
- Ethics should be discussed openly and honestly during all marketing decisions.

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- Ethics must be embedded in business models, organizational strategy and decision making processes. Compliance officers should have a strategic role or higher offices in food and beverage companies.
- It is important that food and beverage companies must have an effective Code of Ethics which have to be revised from time to time.
- Senior managers and business leaders must demonstrate an ethical approach by example. This will show that middle and junior managers will be rewarded for taking an ethical stance and create the appropriate organizational culture.
- The companies should have ethics and compliance department of personnel which include people with appropriate skills to scrutinize performance and strategy across social, ethical and environmental issues.
- Managers must come to problems with ‘prepared minds’, looking at ways in which an organization can benefit from an ethical approach rather than one that relies narrowly on cost cutting or compliance.
- Food and beverage companies must embark heavily on social wellness programs.
- Marketers must comply with regulations and standards established by governmental and professional organizations.
- Ethical branding can provide the company with a differential advantage as a growing number of consumers become more ethically conscious. It could also help overcome the increasing consumers' scepticism and cynicism towards branding communications.

6. CONCLUSIONS AND CONTRIBUTIONS

Strong ethical brands help a company to maintain market share in the face of a changing competitive environment. It has been shown that a strong market share is associated with high-performing companies with above-average profits in the food and beverage industries. Brands have become assets in their own right and should be considered as such by companies in the food and beverage industries. In addition, an ethical brand represents low-risk opportunities for the manufacturer or service provider, and they also represent reduced risk for the consumer.

However, successful brands depend heavily on good company ethics. Good ethics comes from sufficient regulations and ethical codes (Arain, 2008; Yeslam, Burmeister & Weckert, 2015) and supporting ethical education (Abdul-Rahman, Wang & Saimon, 2011).

The first result of building a successful brand is a virtuous spiral of increasing power and prosperity. If the company can persuade people that its brand is what they need, they will buy it, and this, through economies of scale, will create increased profits. This makes it easier for the company to invest in more production and more brand-building exercises such as advertising campaigns, which makes it harder for competitors (Abdul-Rahman, Wang & Saimon, 2011), some of whom might exit the market.

This makes the company's profits greater, which makes it possible for it to invest more (Madhani, 2016).The conclusion of the research study on the impact of ethical branding on the competitive advantage of firms in the food and beverage industry is explained in the following section.

The study findings pointed out that most customers are affected by the ethical practices of companies selling products. It is therefore confirmed that ethical issues are a special consideration in customer purchase decisions for food and beverage products. A close association between ethical brands and the financial performance of food and beverage companies has been established.

Based on the findings, it can be inferred that food and beverage companies' failing brands could be attributed to unethical behavior. This coincides with Lee and Jin (2019), who stated that ethical marketing practices should be reinforced to achieve corporate brand loyalty. While most of the customers were against alcohol promotions and advertisements, companies are supposed to compensate for this through corporate social responsibility programs.

Companies with a code of conduct and those that are transparent in their business dealings have a competitive advantage over others. Also, customers have a negative attitude and perception of brands of companies with a bad reputation. The rise in ethical consumerism sees corporate brands as having a socially responsible and ethical image. A customer associates the brand with its owners.

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DOI: 10.14807/ijmp.v«Vol»i«Num».«Codigo»

Hence, there is a need to consider the social and financial aspects of a brand. Therefore, a brand should be taken as a financial weapon and so should its budget allocations just like any tangible asset.

The paper contributes to the body of knowledge in the realm of ethics and governance in the food and beverage industries. The paper highlights the degree to which financial instability is linked to the ethical problems in the food and beverage industries in developing countries. It will be a source of education for investors in developing countries such as Zimbabwe, who will include ethics in their choice of investment and help regulators to pursue ethical reform policies.

This current study has incorporated the "ethical brand" construct and is investigating its effect on the company's reputation among consumer and corporate buyers. Future studies could replicate this research in other product categories. This should be applied to many companies in the industry. There are many studies that could be suggested for future research. Also, further research can focus on the relationship between ethics and investment performance.

Thus, the findings of the study could not be generalized to other industries. Cross-validation to other industries could not be performed in this study as it is out of scope. Replicating this research in similar or other industries is therefore essential in generalizing the findings of this study.

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