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EFFECTIVENESS OF ETHICS & COMPLIANCE WORK

Nordic Compliance Officers' Perspective

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ABSTRACT

Noora Piippo: Effectiveness of Ethics & Compliance Work – Nordic Compliance Officers' perspective
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This research explores the effectiveness of ethics and compliance work in the Nordics from a compliance officer's perspective. In this thesis, ethics and compliance work means the systematic implementation of ethics and compliance programs and associated guidelines. Nordic perspective is chosen because even though the Nordic countries have low corruption rates, business scandals do emerge all the time in different fields. Getting a better understanding of ethics and compliance work can help organizations prevent these scandals and compliance officers' perspective is important as they not only know ethics but also have a practical perspective. The research topic is approached by four questions that emphasize different aspects of effectiveness ethics and compliance work. The questions are about measuring the effectiveness of ethics and compliance work, the impact of ethics and compliance on organizations' culture, the best ways to reduce unethical conduct, and the activities that ethics and compliance officers have not been able to implement. These research questions construct the overall picture of ethics and compliance work and increase the understanding of the effectiveness of the work.

The theoretical framework consists of previous studies and theories around ethics and compliance work, the impact of ethics and compliance work, and Kaptein's (2017) struggle theory. The research was conducted as a survey and in cooperation with the Nordic Business Ethics initiative. The data were analyzed by using both quantitative and qualitative methods. The data consisted of 122 responses from Finland, Sweden, Norway, Denmark, and Iceland.

The results show that many compliance officers in the Nordic countries measure ethics and compliance work effectiveness in a variety of ways but there are also organizations that do not measure the effectiveness of ethics and compliance work at all. Compliance officers see that the work has a positive impact on the organization's culture and more implications for the future than for the present. But compliance officers cannot do ethics and compliance work by themselves. They need support especially from management but also from other sections such as communications. Especially the impact of management rose as being the best way to reduce unethical conduct. Compliance officers also need enough resources such as time and money to do their work and there were a variety of activities that many felt they have not been able to implement due to lack of resources or support.

In practice, results show that the focus is on preventive work, and it needs to be constant. Organizations should not forget the importance of ethics and compliance work as it is an important part of risk management and paying too little attention to business ethics can have massive consequences.

Keywords: Business Ethics, Compliance, Compliance Officer

The originality of this thesis has been checked using the Turnitin OriginalityCheck service.

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1 INTRODUCTION

1.1 Introduction to the Research Topic

During the last few decades, responsibility and accountability have been increasingly expected from companies of all industries. In modern society, they hold a great power and naturally, power always brings responsibilities. Companies are no longer expected to just bring financial returns to investors. The expectations are higher. Regardless of industry, size, or location, corporations have to respect human rights, protect the environment and prevent corruption. They are even expected to solve global problems.

Sometimes misconducts happen, whether on purpose or accidentally and often there are not just few who act unethically. Misconducts can happen in every organization no matter the company size, sector, or country and it can be done by anyone, regardless of position or experience. These misconducts are exposed in business scandals. Thanks to today's media, the news spread fast everywhere. These scandals can cause enormous damage to the company, and they can even be enough to destroy it.

Behind these misconducts, there are usually bad decisions that come from unethical behavior. The decisions that are made today might be a scandal tomorrow. One way to prevent unethical behavior is to implement ethics and compliance programs (ECPs) or guidelines. Benner (1992) has said that every organization has ethics programs, but they do not know about them. That is because these programs are not created distinctly. They are just naturally driven into the culture and natural processes of the organization (Benner 1992, 391). However, companies should not rely on ethical and compliance programs to come naturally. If companies want the full benefit of these programs, they need to be systematically driven into the organization.

In this thesis, the systematic implementation of ECPs and associated guidelines is called 'ethics and compliance work'. This notion has not been introduced in prior research literature and is therefore a

novel contribution to the literature. Ethics and compliance work refer to the implementation of programs or guidelines that the organizations undertake to comply with, such as ethics and compliance programs (ECPs). Effective ethics and compliance work can have a key role to ensure the legality and regularity of companies' operations, the obligations towards stakeholders, and the company's own internal ethical standards.

It is widely recognized that ECPs can reduce and prevent unethical behavior (Brenner 1992; Sims 1991; Weber 1993). By reducing unethical behavior businesses can ensure their success in the future and create more value for stakeholders. In addition, organizations' risk management, human resources, and strategic position get better control when they have adopted ECPs. Consumers do not want to buy from, investors do not want to invest in, and employees do not want to work for a company whose reputation has suffered from irresponsible or questionable behavior, which is why organizations should find it useful to invest in ethics and compliance work.

The Nordics are widely considered as globally leading in corporate social responsibility and sustainability (Strand, Freeman and Hockerts 2014, 1). Nevertheless, we do not have to look very far in time to find examples of business scandals. For example, in 2012 it was revealed that the telecommunications provider Telia Company AB had done some questionable transactions which lead to a huge corruption scandal. The company ended up receiving fines of 800 million euros (Yle 2017). And the healthcare service provider Esperi Care got into a scandal about the misconduct associated with the care for the elderly (Yle 2019). Both of these scandals caused huge reputation and financial damages. As long as new scandals appear, the struggle for ethical businesses continues.

So, even though the Nordic countries show low levels of corruption rates, misconduct does happen. In the Nordic context, employees are assumed to be smart and able to use common sense, but this is not always enough. For example, the Nordic Business Ethics Survey from 2019 showed that 21 per cent of top management respondents have observed asking, giving, or receiving for bribes at their workplace and 47 per cent of employees in the Nordics do not necessarily speak up when seeing unethical behavior (Nordic Business Ethics 2019). This indicates that there is still work that needs to be done and companies must constantly work towards a more ethical environment and seek new ways to achieve this. Nordic organizations may underestimate the need for and importance of proper ethics and compliance work. This study can help organizations to develop their ethics and compliance work properly and help to measure the effectiveness of ethics and compliance work. This can improve the

ethics of the company, reduce abuse and promote a culture of doing the right thing. This will help employees, stakeholders, and the whole society.

This research explores effectiveness of ethics and compliance work in Nordic companies from a compliance officer's perspective. Compliance officers are the ones who push for more ethical decisions and practices in the organization. They are usually the ones responsible for designing and improving ethics programs (Adobor 2006). Quite extensive research exists around the ethics of managers but there are only a few studies focusing on compliance officers (e.g., Treviño et al., 2014; Hogenbirk and van Dun 2021). This study aims to fill that research gap. Compliance officers are believed to have the best knowledge of how their organization does ethics and compliance work and thus, their knowledge of the topic is valuable.

1.2 Purpose of the Research and Research Questions

The purpose of the study is to describe and get a better understanding of ethics and compliance work in the Nordics. The study focuses on the effectiveness of that work, in particular on how compliance officers perceive and measure the effectiveness of ethics and compliance work and they see the impacts it has. The study also seeks to find out what compliance officers think is the best way to reduce unethical conduct and whether there are there some activities that they would like to implement but have not been able to. This can give important information to other compliance officers and managers on how to improve their ethics and compliance work.

The research topic is approached by the following four questions:

- *How do compliance officers consider the impact of ethics and compliance work to affect organizational culture now and in the future?*
- *How do compliance officers measure the effectiveness of ethics and compliance work?*
- *What do compliance officers think is the most effective way to reduce unethical conduct?*
- *Are there any activities that compliance officers would like to implement but have not been able to implement?*

As mentioned, this research will focus on Nordic companies. A growing number of people are using Nordic and Scandinavia as synonyms. Bondeson (2003,3) says that “historically, Scandinavia was meant to refer to the countries of Denmark, Norway, and Sweden but Finland is commonly included by many as a part of Scandinavia nowadays”. This research will study Finland, Sweden, Norway,

Iceland, and Denmark and they are referred to as the Nordics. The study was conducted as a survey administered by Nordic Business Ethics initiative, which aim to raise awareness of business ethics and support organizations to become stronger and more responsible (Nordic Business Ethics 2021). In 2019 and 2020, they studied the Nordic employees' perception of ethics at work and in 2021 the focus is on the compliance officer's perspective (Nordic Business Ethics 2021). This thesis has been undertaken in collaboration with them and utilizes a section of their questionnaire as a research material. The original questionnaire covers the topic of ethics and compliance work more widely but as the focus of this thesis is on effectiveness it is reasonable to focus on the section of the questionnaire that address effectiveness, namely the "Effectiveness of ethics & compliance work".

1.3 Research Philosophical Considerations and Methodology

According to Johnson and Clark (2006), management and business researchers need to be aware of their studies philosophical choices since these have a key role when researcher decide what they are going to do and how they understand the subject, i.e., philosophical choices affect the research strategy.

Ontology is at the top of the hierarchy in research strategy, and it answers the question about existence and being (Hammond and Wellington 2013, 114–115). According to Saunders, Lewis and Thornhill (2007, 110–111) ontology can be divided into objectivism and subjectivism. Objectivism point of view is that social entities exist in real life external to social actors and subjectivism sees that social phenomena arise from the observation and attributable actions of social actors (Saunders, Lewis and Thornhill 2007, 110–111). In practice, this means that the objectivist views on organizational culture as something that the organization has but the subjectivist view is that organizational culture is a result of continuing social acts (Saunders, Lewis and Thornhill 2007, 110–111). The approach of this study is subjective as every respondent is considered an individual who sees the effectiveness of ethics and compliance work in varying ways. They all have their view of the world which continuously changes.

Ontology and epistemology are so tightly connected that they are at times hard to distinguish from each other (Hammond and Wellington, 2013, 115). Mark Saunders, Lewis, and Thornhill (2007, 112) say "Epistemology answers the question of what acceptable knowledge in a field of study is". The researcher's understanding of what knowledge is defines not only the research questions but also the methodology and methods the research takes (Hammond and Wellington 2013, 58). According to

Saunders, Lewis, and Thornhill (2007, 113–119), epistemology can be divided into four parts: positivism, realism, interpretivism, and pragmatism. The positivist approach is highly structured and believes that only observable phenomena can provide credible data (Saunders, Lewis, and Thornhill (2007, 113–114). Realism is close to positivism, and it believes that observable phenomena provide credible data but there is also a focus on explanation in context or contexts (Saunders, Lewis, and Thornhill (2007, 114–115). Interpretivism supports understanding differences between humans as social actors and it emphasizes the difference between people rather than objects (Saunders, Lewis, and Thornhill (2007, 115–116). Pragmatism believes that either distinguishable phenomena and/or subjective meanings can provide acceptable knowledge thus it can be seen as a combination of positivism, realism, and interpretivism (Saunders, Lewis, and Thornhill 2007, 119). Philosophically speaking, this research settles between interpretivism and pragmatism. Interpretivism because this research sees that social phenomena such as ethics and compliance work is understood to consist of subjective perceptions. On the other hand, as described below, this research also uses quantitative methods which are more common in positivism and realism and that is why the pragmatism approach is also suitable.

According to Saunders, Lewis, and Thornhill (2007, 124) there are two main approaches to research: deduction and induction. Deduction tests the hypothesis and theory, and induction gathers the theory as a result from the research data analysis (Saunders, Lewis, and Thornhill 2007, 124–129). Deduction is also called truth-preserving reasoning and deductively logical reasoning is logically valid reasoning in which, if the reasons for the conclusion are true, the conclusion is necessarily true (Kaakkuri-Knuuttila and Heinlahti 2006, 21). Induction involves the generalization of individual cases and the fact that the reasoning supports the conclusion, but the reasoning is not entirely binding. (Kaakkuri-Knuuttila and Heinlahti 2006, 21). Although there are clear differences between deduction and induction, it is often helpful to use a combination of both (Saunders, Lewis, and Thornhill 2007, 127).

This study started by mapping studies and theory, but the theory was updated after receiving the research data. Mapping previous studies and theories of the research topic, it helped to form the survey. But the respondents' responses brought new perspectives that were not necessarily considered enough in theory which is why the theory was re-evaluated and updated. This creates a deeper understanding of the study results. However, the induction approach is slightly more suitable for this research because it focuses more on gaining an understanding of the meaning's people relate to events and has a more flexible structure which allows changes better (Saunders, Lewis, and Thornhill 2007,

127). Induction is also more linked to interpretivism (Saunders, Lewis, and Thornhill 2007, 124) which as described above is this research epistemology.

The chosen research philosophy and approach influences the way the researcher chooses to answer the research questions (Saunders, Lewis, and Thornhill 2007, 136). When thinking about research questions the researcher must think about the purpose of the research. Saunders, Lewis, and Thornhill (2007, 139) says that “there are three classifications of research purposes, and they are exploratory, descriptive, and explanatory”. Explorative studies seek to find out what is happening or to access phenomena in a new light (Robson 2002, 59). Descriptive research answers the questions such as “what happened” or “how things are” or the research can be a report about the change of an individual or organization (Kaakkuri-Knuuttila and Heinlahti 2006, 80). Explanatory studies seek to find the causal relationships between variables (Saunders, Lewis, and Thornhill 2007, 140) and they answer the question “why” (Kaakkuri-Knuuttila and Heinlahti 2006, 80). This research is a descriptive study because it seeks to get a better understanding of ethics and compliance work in the Nordics and thus, describes the phenomena of ethics and compliance work from different perspectives.

This research was conducted as a survey study. According to Saunders, Lewis, and Thornhill (2007, 144) “surveys answer the questions who, what, where, how much, and how many”. The benefits are efficiency, possible fast processing, extensive research material, and the opportunity to ask diverse questions (Hirsjärvi et al. 2007, 188). Weaknesses are, for example, superficiality, misunderstanding of the questions, non-response, and the attitude of respondents (Hirsjärvi et al. 2007, 188). Also, according to Alkula, Pöntinen, and Ylöstalo (1994, 119), another strength in a survey is that there is an advanced tradition of quantitative analysis and thus we can talk about an entire method of research.

The production of data must be the most relevant and reliable information possible without wasting the time or resources of the researcher or subjects (Tjora 2019, 3). If this research had been done for example by interviews, it would have been difficult to get as much data because it would have been so time-consuming. Furthermore, these questionnaire questions are quite personal as an organization’s ethics is a sensitive topic. In interviews, people might not want to answer such questions, or they would give a more positive picture about themselves and the organization they work for. Also, ethics and compliance work cannot be evaluated in some kind of laboratory. The knowledge about ethics and compliance work is with those who do it every day and the best way to get this information is by asking them. This research strategy fits this research topic also because surveys allow collecting quantitative data which can be analyzed by using descriptive analyses

(Saunders, Lewis, and Thornhill 2007, 144), and like described above, this study can be categorized as a descriptive study.

The questionnaire contains both questions with answer options as well as open ended questions. Open-ended questions give respondents the possibility to answer more freely. This kind of combination makes the research a mixed-method study. According to Saunders, Lewis, and Thornhill (2007, 152), mixed-method research uses both quantitative and qualitative data collection techniques and methods of analysis but does not combine them. Kananen (2008, 25) says that qualitative and quantitative research in the same study can also be called triangulation. Hirsjärvi, Remes, and Sajavaara (2007, 132–133) have pointed out that quantitative and qualitative research methods complete each other and can be at times difficult to distinguish from each other. Mixed-method research is suitable for this study as the aim is to find out the numerical differences but also to gain a deeper analytical understanding of the topic, so it provides better opportunities to answer research questions.

The simple difference between a quantitative and a qualitative study is that a quantitative study uses numerical data, and a qualitative study uses non-numerical data (Saunders, Lewis, and Thornhill 2007, 151). The quantitative research method gives a general picture of the relationship between variables and answers the question of how much or how often (Vilkka 2007, 13–14). Qualitative research can be seen as referring to all studies that use statistical methods or other quantitative means (Strauss and Corbin 1990). It seeks to explore the subject as comprehensively as possible and to describe real-life (Hirsjärvi et al. 2007, 157). In this research, quantitative questions in the survey will provide figures and comparable data on the views of compliance officers. Qualitative questions will give more freer answers and allow respondents to describe their views and thoughts in more depth.

The researcher needs to also consider the time horizons. Saunders, Lewis, and Thornhill (2007, 155) say that “Cross-sectional research is a snapshot time horizon”. This research is cross-sectional because it describes a phenomenon at one particular time. If the purpose was to examine development or change over time it would be longitudinal research which is more a diary perspective (Saunders, Lewis, and Thornhill 2007, 155). Cross-sectional is more suitable for this study because it is intended to examine the opinion of compliance officer in a particular moment.

1. 4 Structure of the Thesis

This thesis is divided into six chapters. The first chapter is an introduction where the purpose is to introduce the subject, research questions, and goals. The research method is justified in this chapter as to why it is the best solution for this research problem. The next chapter discusses the theoretical foundations. It defines ethics and compliance work and further explains its purpose. This chapter also introduces formal and informal ethics and compliance systems, especially ethics and compliance programs. The next section is what impacts ethics and compliance work has and the last section presents Kaptein's (2017) struggle theory which is used to analyze research results. Chapter three presents the methods of research data collection and analysis. This chapter presents the target group, preparations of the measurement, and data analysis methods. It also reflects the research validity and reliability. Chapter four presents the findings of the study. First, the respondents' background information is introduced, and the next section discusses the impact of ethics and compliance work. Chapter five analyzes the results and answers the research questions in more detail. The sixth chapter provides the conclusions of the research and discusses some suggestions for future research.

2 THEORETICAL FOUNDATIONS

This chapter acts as the theoretical review of the research topic. The chapter starts by defining the purpose of ethics and compliance work and goes into discussing formal and informal ethics and compliance systems. Although ethics and compliance work does not have a clear definition, a lot of studies have been made around the formal ethics and compliance programs (ECPs). They have been included in this study because they contain, according to a theory (e.g., Brenner 1992; Kaptein 2015; Cowton and Thompson 2000), a wide range of ethics and compliance work. Critique towards them is also presented. The following part focuses on the impact of ethics and compliance work. This section discusses the effectiveness of ethics and compliance work, ethical culture, and how to measure the impact of ethics and compliance work. The last section presents Kaptein's (2017) struggle theory and relates it to the present research topic.

2.1 Ethics & Compliance Work

2.1.1 The Meaning of Ethics & Compliance Work

Corporate social responsibility has been recognized by researchers more than a hundred years ago. One of the first textbooks on the topic is Edgar Hermance's (1924) "Codes of Ethics". Epstein (1979) has described that corporate social responsibility has both process and product aspect. Furthermore, he recognized that corporate culture has a key role in the shaping of organizations' performances. In Epstein's later studies (1987), he developed a broader view of corporation's social policy implementation processes which includes companies' business ethics, social responsibility, and social responsiveness.

Ethics and compliance work can be expected to have some level of control in every organization for it to achieve its goals. Merchant and Van der Stede (2017, 3) says that "Management control is a critical function in organizations". It should be designed properly, because it can influence employees' behavior and help the organization to better reach its goals (Merchant and Van der Stede 2017, 8.). Formal ethics programs can be conceptualized according to Weaver et al. (1999c, 42) as "organizational control systems aimed at standardizing employee behavior within the domains of ethics and legal compliance". So, they can be thought to be based on management control and their further purpose is to guide employees' behavior in the direction that the organization desires.

In this thesis, ethics and compliance work means the systematic implementation of ECPs and associated guidelines. ECPs include formal and informal ethics and compliance systems that are described in more detail in the following section. Even though informal and formal systems are closely related, this research focuses more on formal ethics and compliance systems as these formal systems contain formal ethics and compliance programs that contain multiple ways of doing ethics and compliance work. Additionally, they are easier to study as the informal systems are harder to verbalize.

2.1.2 Formal and Informal Ethics & Compliance Systems

Tenbrunsel et al. (2003, 287) have introduced the term ethical infrastructure to describe “the organizational elements that contribute to an organization’s ethical effectiveness”. Tenbrunsel et al. (2003, 287) says that “The ethical infrastructure consists of formal and informal systems and the organizational climates that support the infrastructure”. Figure 1 demonstrates visually these elements. Tenbrunsel et al. (2003, 287) argues that “Each of these elements is important and the relationship between them must be considered to fully understand their influence on ethical behavior in organizations.”

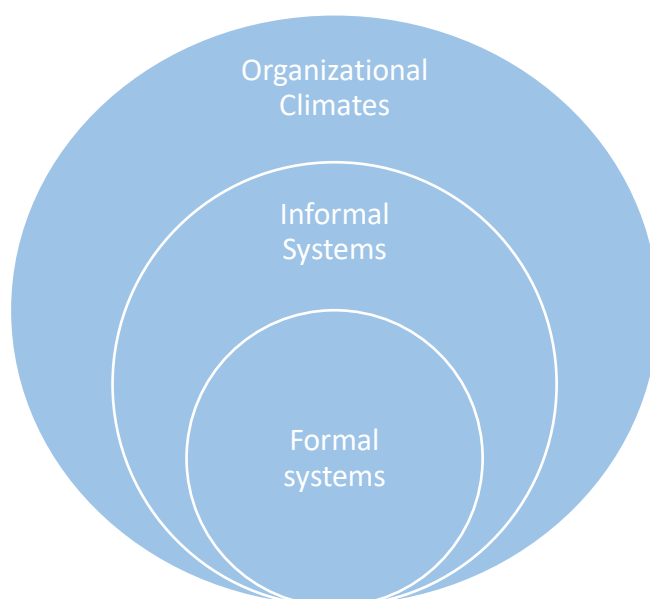


Figure 1. Elements of the ethical infrastructure (Tenbrunsel et al. 2003, 287)

Falkenberg and Herresmand (1995, 140) argue that “informal systems are the dominant influence on behavior when ethical issues are resolved and that formal policies are seen as a protective instrument for employees and should create a perception of fairness within the organization”. According to Tenbrunsel et al. (2003, 291), in organizations members receive informal signals, and these signals tell which ethical or unethical principles are actually followed. These signals might come from various sources such as from coworkers or through patterns of promotions or firings (Tenbrunsel et al. 2003, 291).

Some studies categorize informal and formal components differently. For example, Treviño (1990) states that reward systems are formal systems, but Tenbrunsel et al. (2003) believe reward systems can be both formal and informal. According to Falkenberg and Herreman (1995), informal systems are important influence when ethical issues are resolved but formal policies are important for guiding behavior and encouraging unethical behavior.

According to Smith-Crowe et al. (2015, 792), “formal systems can be understood as the tangible objects and events pertaining to ethics that are purposefully designed and implemented, whereas informal systems are the unofficial policies, practices, and procedures that are relevant to ethics”. Weaver, Treviño, and Cochran (1999b) studied the Fortune 1000 companies and their formal ethics and compliance programs (ECP) and identified different formal ECP components which were the whistleblowing system, communication, training and top managers. These findings show that a majority of the researched corporations have adopted one or another form of ethics component, but there is also some variety in implementation. The conclusion was that in order to succeed, ethics programs depend heavily on support from other organizational systems and informal practices. Trusting only on a formal program is not enough, rather, they need support from the entire organization. Furthermore, ethics programs become more effective if they are supported by an informal system (Smith-Crowe et al. 2015). Thus, formal and informal components are difficult to clearly distinguish from each other, and in order to achieve an ethical organization, both formal and informal components need to be in place.

2.1.3 Formal Ethics & Compliance Programs

The ethics and compliance work includes ethics and compliance programs (ECP), for which compliance officers are often responsible. In the existing literature, there are multiple names for ECPs such as ethical compliance (McKendall et al. 2002), responsible conduct (Weaver and Treviño 1999)

and shared values (Weaver and Treviño 1999). According to Cowton and Thompson (2000, 165) “codes of conduct are one of the most visible features of business practices associated with business ethics, by whatever term they are known by”. Thus, although there are many different terms, in this research, the concept ECP is chosen for its general comprehensibility and popularity.

ECPs are not just a nice thing to have, but in actuality in some countries, they are required by the law. Good and properly implemented ECPs can have multiple benefits to organization such as strengthen their strategic position, improve their culture and improve financial performance (Kaptain and KPMG 2008, 1). But adapting ECPs may not come so easily. Organizations need to think about, which components they should adopt and when (Kaptein 2015, 415). Even good programs might be wasted if not enough attention is paid to the implementation of these programs. While ethics programs are increasing, communicating them to employees is not so sufficient in most companies (Hoffman et al. 1986, 86).

ECPs are not a new invention. Their roots are in the US regulatory such as the Foreign Corrupt Practices Act (The United States Department of Justice) of 1977, in Europe such as the UK Bribery Act (Legislation Government UK) of 2010, the EU whistleblowing directive 2019 (EUR-Lex) or the General Data Protection Regulation, GDPR, 2016 (Europa). So, ethics and compliance work have a statutory obligation to prevent e.g., corruption, unfair market practices, integrity violations or modern slavery. There has been an increase in the number of companies that have implemented ECPs over the last few years. In 2008, 87 per cent of all Fortune Global 200 companies had a code of their own and they update them more often because companies pay more attention to them (Kaptein and KPMG 2008, 7). The reasons for having ECPs vary: some organizations might have them because it is legally required, some due to requirements from financiers and investors, some because they see others have done it too and some because they want to invest in having an ethical company. It can also be due to a combination of all of these drivers and the impact of the drivers can depend on e.g., organizational type, industry and management. According to Joseph (2002, 315), it is “important to remember that each ethics program is developed in response to a specific set of circumstances (origins), is meant to address key organizational issues (priorities) and is justified to employees and other stakeholder groups in particular ways (justifications)”, i.e., there is not only one reason why organizations have or do not have ECPs. In Joseph’s (2011, 315) study where he interviewed ethics officers, half said that some kind of ethics crisis (e.g., public scandal, legal action) affected the decision to develop an ECP. Environmental factors (e.g., media attention, legal guidelines) are also associated strongly with the scope of ethics programs (Weaver et al. 1999c).

Brenner (1992, 393) divides the ethics programs into two parts: explicit and implicit components. Brenner (1992,393) says that “The explicit part includes the following: codes of ethics, policy manuals, employee training materials, employee orientation programs, ethics seminars, management speeches, management ethics decisions, board of director decisions and committee activities, internal control systems, and ethics staff activities”. Corporate ethics programs’ implicit parts include according to Brenner (1992, 393) “corporate culture, incentive systems, valued behaviors, promotion policies, performance measurement systems, and management behavior”. Kaptein (2015) has categorized formal ECPs into nine components: code of ethics, investigation and correction policies, ethics report line, accountability policies, incentive policies, ethics officer, communication and training, pre-employment screening of prospective employees, and monitoring and auditing. Monitoring and auditing can have important role after the program is introduced, and they can be used to record progress and improve the program (Kaptein 2015, 421). Thus, according to these definitions, ECPs include a wide variety of ethics and compliance work.

Weaver et al. (1999a, 41–42) says “ECPs contain some or all of the following elements: formal ethics codes, ethics committees, ethics communication systems, ethics officers, ethics training programs, and a disciplinary process”. Formal ethics codes can be defined as a set of rules that are separate and in a formal document to guide managers, employees, or other stakeholders’ behavior (Kaptein and Schwartz 2008, 113). Weaver et al. (1999a, 41–42) say that the second component, ethics committees, are responsible for developing ethics policies, evaluating actions of employees, and/or investigating violations of the rules. The third component, the ethics communication system, may also be referred to as a telephone line or an ethics hotline. It provides employees an opportunity to report abuses or other concerns. The next component, ethics officers, are meant to provide ethical education or investigate allegations. The last components, ethics training programs, and disciplinary process aim to help employees to recognize misconducts and to address unethical behavior, respectively. In addition to these components, Kaptein and Schwartz (2008, 113) have added components that are related to the component of a disciplinary process which include policies on accountability for unethical behavior and policies on rewards for ethical behavior. Furthermore, Kaptein and Schwartz (2008, 113) added two other components that focus on the evaluation of ethics in an organization. The first is having internal monitoring systems and conducting ethics audits and the second is to have pre-employment screenings.

Joseph (2002, 311) interviewed a group of ethics officers and asked them what well-integrated ethics programs look like. They said that it:

1. Is in line with the mission and vision of the organization's
2. Fits well with systems, policies, and practices in the organization
3. Addresses employee expectations for ethics as well as leadership priorities
4. Employees at all levels use it to guide decision-making and action
5. Over time it becomes a central part of an organization's culture

The same components can be seen in different studies but one thing that emerges from the literature is that ECPs are useful only if they are implemented properly (Kaptein 2015; MacLean, Litzky and Holderness 2015; Murphy 1988; Nijhof 2003; Sims 1991). Poorly implemented programs or programs adopted in name only may even have a negative effect on organizations' members' perception of the policy and even on the organization itself (Maclean et al. 2015, 363). If what is said (formal) and what is done (informal) differ from each other in terms of an ECP, it may have harmful decoupling effects (Maclean et al. 2015). Employees may think that the organization is detaching itself from ECP practices if the leaders signal a misalignment between words and deeds and this kind of misalignment could be for example if leaders are using ECPs to protect themselves or if they appear to give empty promises (Maclean et al. 2015, 363–364). Kaptein and KPMG (2008, 15) recognized the potential benefit of a code implemented properly and focus more on the importance of training. They divided implementation into four clusters:

1. Communication and training
2. Personnel policy
3. Other policy measures
4. Monitoring, auditing, and reporting

Communication and training consist of, for example, e-mails, intranet site or distributing copies. It also consists of organizing special information events, developing a digital game, or incorporating parts of the program into things such as organizations website, meetings, or managers speeches. Especially training on the ECPs are a much used resource (Kaptein and KPMG 2008, 15–16.) Ruiz et al. (2015) studied three ethics program components' which were ethics training, code of ethics and content based on ethical performance and their effects on relationship to ethical intent. In the study, employees who felt that all three components are implemented strongly report on higher levels of ethical intentions and especially the importance of training rose (Ruiz et al. 2015). Weber (2015) says

that there is a debate on who is the right person to do ethics training. External person can have a fresh perspective and employees might speak more willingly about sensitive situations with them but on the other hand, internal officers know better their organization and their culture (Weber 2015).

By personnel policy, Kaptein and KPMG (2008, 16–17) mean that the ECPs have frequently assigned a prominent place. The programs should be referred to when there are new applicants, performance and assessment criteria, and a sanctions policy (Kaptein and KPMG 2008, 19). In addition to communication and personnel policy, some measures and activities can be implemented in some other sections also. These measures are screening of business partners, risk analysis, whistleblower system, decisions checklist and ethics committee officers. Lastly monitoring, auditing, and reporting are important because they ensure that things are effectively being done following ECPs and they also help to ensure that the programs are being utilized to their full potential and capacity (Kaptein and KPMG 2008, 19). Monitoring and auditing also show to employees that ECPs are not just symbolic (Weaver et al. 1999). Different approaches in different studies show that there is no one right way to implement ECPs. Many researchers have recognized the importance of implementation because ECPs without implementation does not have an impact (see e.g., Kaptein 2015; Maclellan et al. 2015; Murphy 1988; Nijhof 2003; Sims 1991).

2.1.4 Critique Towards Ethics & Compliance Work

Even though multiple studies show the benefits of ethics and compliance work, critique has also been presented towards their effectiveness in decreasing unethical behavior. McKendall, Demarr, and Jones-Rikkens' (2002) study did not find that corporate ECPs will reduce misconducts. They suggested multiple possible reasons for this. One, ethical practices may not be primarily related to the illegality of companies. Moreover, the violations they studied may have affected the results because ethical compliance practices may have an impact on the type of violations that are explicitly addressed in ethics programs. Another possible reason is that following ECPs might not be as important in promoting ethical and legal behavior compared to the support from the top management. The study stated that if these programs do not in actuality make a significant difference, then it gives a false sense of a more law-abiding organization than it truthfully is (McKendall, Demarr, and Jones-Rikkens 2002).

Pelletier and Bligh's (2006) study also did not find support for their hypothesis that if employees are aware of the formal codes, the program is more effective. In turn, their second hypothesis was

supported that there is a positive connection between perceptions of ethical decision-making systems to ECPs effectiveness (Pelletier and Bligh's 2006). Thus, employees feel that when they get guidance for ethical decision-making, they have a more positive experience of ECPs effectiveness than employees who felt that they did not have enough ethical guidance. Furthermore, there was not positive perceptions of ethics program effectiveness when organization had enough time to evaluate ethical dilemmas in Pelletier and Bligh's (2006) study. So, in order to find a clear answer to what makes an effective ECP, more research needs to be made.

Schwartz (2005) says that there is a research gap for finding universal moral values for corporate code of ethics. He argues that "a corporate code of ethics that is based merely on the desired moral values of the individual CEO, the legal department, or even an ethics consultant, is arguably a relativistic document that merely suits the objectives of the author" (Schwartz 2005, 30). If the code serves only certain purposes or people, the code is susceptible to ethical critique, and it might not be sufficiently ethically grounded. Cressey and Moore's found in their analysis (1983) of 119 corporation conduct codes that managers who authors the codes tend to consider only themselves, not the society or even part of it. In their analysis, the codes focused on the welfare of the organization, not the welfare of stakeholders.

2.2 Impact of Ethics & Compliance Work

2.2.1 Effectiveness of Ethics & Compliance Work

It is important to evaluate the impact of ethics and compliance work to ensure that it is effectively reducing unethical behavior. Especially ECPs have been questioned for having real benefits as well as their effectiveness (e.g., Kaptein and Schwartz 2008). Research on ethics and compliance work effectiveness could be described as rather fragmented, nonetheless, some studies try to face that challenge. Ethics Resource Centre's study (2007) states that it takes up to 10 years to achieve the goals of ethics programs. So, it might take years to see results.

Treviño et al. (1999, 132–135) identified seven outcomes that are relevant to determine the effectiveness of ECPs. Treviño et al. (1999, 132–135) says that these outcomes are "unethical/illegal behavior, employee awareness of ethical and legal issues that arise at work, looking for ethics and compliance advice within the company, delivering bad news to management, ethics and compliance

violations are reported in the organization, better decision making in the company because of ECP and employee commitment to the organization”. According to the study, a specific characteristic of the formal ECPs matters less than the bigger picture of the program’s orientation toward ethical ambition and values. Treviño et al. (1999) argue that in organizations where leader show ethical leadership, employees are more likely to act more ethical and will more freely speak up. Romberg (2021) on the other hand raises the risk for relying too much on individuals and propose that compliance programs that are too dependent on individuals in particular the compliance officer, risk becoming counterproductive over time. Formal governance and structures are needed to support the institutionalization of ethical behaviors and decision making across the organization.

McDonald and Nijhof’s (1999) research found that to achieve morally responsible behavior, these five conditions need to be present: suitable procedures for decision making, presence of necessary skills, awareness of formal organizational goals and corresponding informal norms, personal intentions for ethical behavior, and correct distribution of resources. Smith-Crowe et al. (2015, 792) say that “formal systems are those that push the employee to do the right thing and informal systems push the employee to do wrong”. Their results suggest that formal systems need to consider the organizational environment in order to promote ethical behavior at an optimal level. Smith-Crowe et al. (2015, 798) say also “when the informal signal to do wrong was strong, strong formal systems seemed to make sense but when the pressure to do wrong was weak, extensive formal systems seemed only to be a waste of time and money”.

Because the research around the effectiveness of ethics and compliance work has been so fragmented, Kaptein and Schwartz (2008, 113–114) have gathered a review of existing literature that examines the effectiveness of business codes. Effectiveness is divided into different parts because of its complexity. Figure 5 presents the main factors of effectiveness.

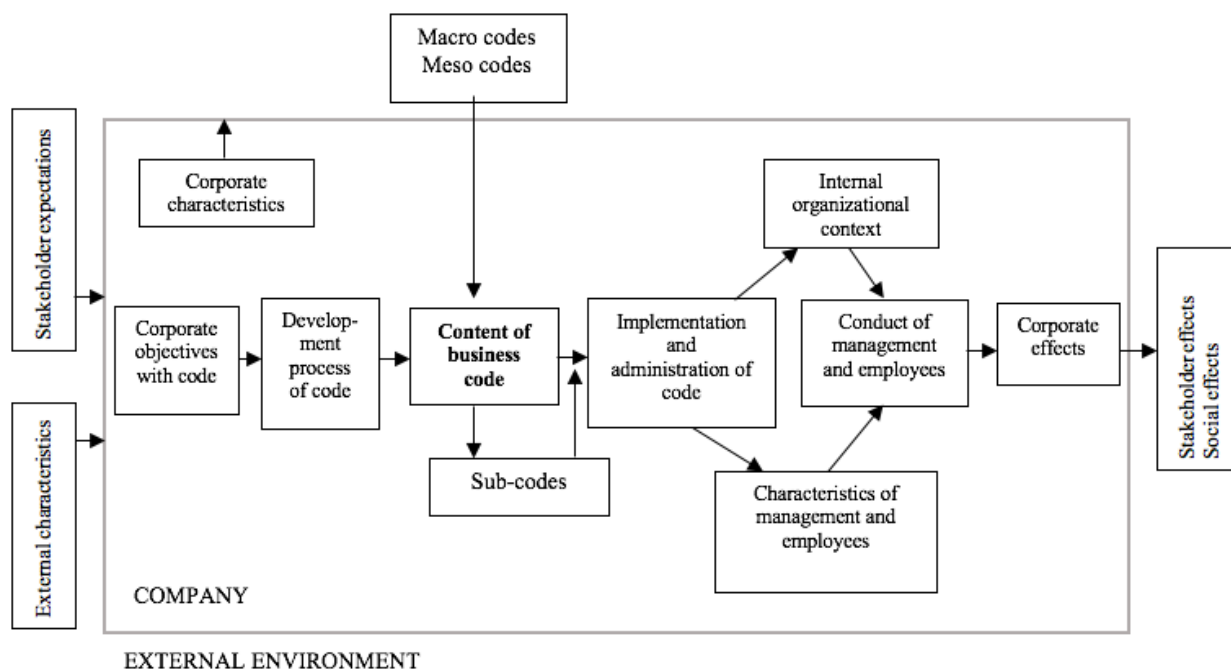


Figure 2. Research model for the effectiveness of business codes (Kaptein and Schwartz 2008, 118)

As Figure 2 shows, a business code's effectiveness needs to be measured in relation to the surrounding external environment. This environment consists of external characteristics, stakeholder expectations, macro, and meso codes (Kaptein and Schwartz 2008, 117–118). Business codes are intended as a tool to steer management and employee's behavior in a more ethical direction and thus, have beneficial consequences for its stakeholders, and to society in general which benefits the entire company (Kaptein and Schwartz 2008, 117–118). How much the codes guide the behavior of management and employees depends on the code processes such as the development, the content, and the implementation of the code (Kaptein and Schwartz 2008, 117–118). In (Kaptein and Schwartz 2008) study, the existing empirical studies showed that 35 per cent of the studies have found that the codes are effective but on the other hand, 33 per cent have found that there is no significant effectiveness, and 14 per cent show conflicting results. In addition, a study from Ethics Resource Center (2007) showed a negative relationship. However, Kaptein and Schwartz (2008) argued that the problem of these findings is that the business codes were defined in different ways and the methods, and the amount of data varied.

2.2.2 Ethical Culture

Ethical culture is supposed to decrease unethical conduct and promote ethical behavior (Kaptein 2009). Unethical behavior might have many undesired effects such as misconduct, corruption, or inappropriate behavior. Park and Blenkinsop's (2013) research showed that the relationship between ethics programs and misconduct depends on companies' ethical culture. When companies have an ethical culture, the ECPs' role may decrease (Park and Blenkinsop's 2013). However, ECPs seem to strengthen ethical culture within a company so they do have an important role when reducing unethical behavior (Park and Blenkinsop, 2013). On the other hand, it is argued that multiple dimensions need to be taken into account to reduce unethical behavior (Kaptein, 2011). Thus, ethical culture is not born unambiguously when organizations have ECPs and in turn, ECPs do not automatically make the organization's culture more ethical.

The process of achieving an ethical culture is complicated because there needs to be considered both long-term and short-term (Dunham, 1984). For the long-term factors, Dunham (1984) says that managers should improve their organization's culture in a way that it promotes the learning of ethical values and behavior. Managers should also support an organizational culture that values ethical behavior, and the members of the organization should be encouraged to show signs of ethical values (Sims 1991, 503). For the short-term factors, Sims (1991, 503–504) has pointed out ten aspects to consider when an organization wants to encourage ethical standards. These are:

1. Consider the personality characteristics of people who are applying to the organization.
2. Make public statements that ethical behavior is important and expected. Ensure that the chief executive promotes also ethical values.
3. Develop organizational policies that specify ethical objectives and formal procedures for addressing unethical behavior.
4. Develop a code of ethics that describes the values of the organization, describes the organizational purpose, and provides guidelines for decision making.
5. Develop a Corporate Ethics Committee.
6. Maintain an ethical organizational culture.
7. Punish unethical behavior and try not to punish ethical behavior.
8. Be sensitive to the potential unethical behavior and take appropriate steps to avoid it, when placing people into competitive situations (Dunham, 1984).
9. Develop a systematic training program for all employees.

10. Remember that when decisions require moral judgement making group decisions usually results in higher moral reasoning than individual decision-making (Nichols and Day, 1982).

Sims (1991, 502–503) says that organizations that value ethics are aware of the importance of organizations commitment, ethical working culture, and psychological contracts. When employees make decisions that involve ethics, what values they have learned affects it and organizations should understand that ethics will help their survival (Sims, 1991, 502–503).

The influence of managers on ethical culture cannot be ignored. The research around ethical leadership has been growing more popular in recent years (Kaptein 2019). Giberson et al. (2009) even suggest that organizations need to consider how well CEOs' characteristics fit with their current or desired organizational culture to achieve their goals. Changes in the top might be needed in order to achieve the desirable changes (Giberson et al. 2009). Brown et al. (2005, 120) says that “ethical leaders are examples of ethical conduct who become targets to followers and in order for them to be perceived as ethical leaders they must be perceived as attractive, credible and legitimate and they can do this by engaging behavior that is open and honest and treating employees fairly”.

Ethical culture can also increase well-being of employees (Huhtala et al. 2021). Huhtala et al. (2021) found that leaders whose organizations have a strong ethical culture experienced work engagement and a decreasing level of stress. Kangas et al. (2018) supported that result with their study about the reasons why managers leave their organizations and how ethical organizational culture affects that. The results showed that in organizations where is strong ethical culture, people stayed longer than. Thus, having an ethical organizational culture can keep employees and managers in their organizations (Huhtala et al. 2021).

2.2.3 Measuring Unethical Behavior

Kaptein (2008, 1003) says that “It is essential for organizations to measure unethical behavior for them to decide whether and which measures need to be put into use to enhance the ethics of the organization”. But there is a lack of suitable measurement tools (see e.g., Pelletier and Bligh 2006). There are studies that seek to fill this research gap. For example, Newstrom and Ruch (1975) developed a tool to measure unethical behavior in organizations. Their survey consisted of 17 measures and the respondents, who were managers, were asked how often they have observed

unethical behavior. According to Kaptein (2008, 979), this specific research contains only some of the ways of unethical behavior and there some reliability and validity problems.

Kaptein (2008) has developed a measurement tool to measure a unethical behaviors in organizations in a wider range. In his measurement instrument, Kaptein (2008) has developed items to create a more precise list of unethical behaviors. But this measure has its limitations too. Kaptein (2008, 1001) acknowledges that this measure is unable to measure unethical behavior specific to particular organizational contexts over a period of time. The second limitation is that unethical behavior varies and therefore, the answers vary according to the interpretation of the corresponding ones. A third limitation is the responses from respondents and especially the risk of duplication of responses increases.

There are also studies on ethics officer's personality and behavior effects the effectiveness of ethics programs. According to Hogenbirk and van Dun (2021) study, ethics officers innovative behavior is positively related to a more effective ECP. Joseph's study (2002, 322) interviewed ethics officers and they said that they believed that having a good reporting relationship and communication affects the ECPs' effectiveness. In Joseph (2002, 330), almost half of the respondents that were interviewed had 10–25 years of experience and they saw their experience and credibility as important for the program to succeed. But ethics and compliance officers are not expected to work alone. They need support and guidance from leaders, corporate boards, and colleagues to succeed in their work (Joseph 2002, 344).

2.3 Struggle Theory

Kaptein (2017) argues that the questions why ethical gaps occur are unresolved which is why he developed a struggle theory of ethics. Kaptein (2017) says that struggle theory “elaborates on the meaning and dimensions of struggle in organizations, why and when it is needed, and what its antecedents and consequences are”. When organizations face an ethics gap and opposing forces, struggles are required.

First, Kaptein (2017) defines struggle by distinguishing four characteristics; object at stake which is deemed valuable, the object of value is not yet realized or guaranteed, the risk of losing or not being able to realize something valuable is created by adversarial or opposing forces and dealing with opposing forces requires great effort. According to Kaptein (2017, 344) the ethics struggle, therefore,

“requires a great effort to achieve an object of value in the face of opposing forces”. And opposing forces might be hard to resist or overcome (Kaptein 2017). For example, Romberg (2021) study, she describes that when implementing new ECP, struggle theory gave tools to understand the situation and cope with the individual pressure that compliance officers may face. Romberg (2021) says that struggle theory helped to understand that frictions were not failures, but a sign of that change is happening and that they are on the right path.

Kaptein (2017) says that every organization is an ethics battlefield. Ethics battlefield comes from pressures and temptation that happens in every organization (Kaptein 2017). And everyone is vulnerable to them (Kaptein 2017). To this ethics battle, Kaptein (2017) has defined three struggles. First, the struggle against unethical behavior. Organizations must combat the pressures and temptations that threaten ethical values (Kaptein 2017). Second, the struggle for ethical behavior in order to improve. Kaptein (2017, 346) argues that “This can happen when new ethical norms emerge as a result of general or more specific developments and thus, organizations can face opposing forces in their attempt to adopt and implement them, which should be combatted”. For example, this type of struggle happened in Traidcraft Plc where new FairTrade principles led to a contradiction with the mandatory conditions to operate as a commercial enterprise. Third, there is the struggle with ethical dilemmas when organizations need to struggle against bad to achieve the good. The struggles may also happen on different scope, such as between individuals or organizationally, as a one-time struggle or a longer lasting struggle (Kaptein 2017).

Figure 3 presents a model for the ethics struggle. Pressures and temptations and different types of struggles are discussed below. The ethics gap demonstrates the size of the magnitude of the struggle. Kaptein (2017, 348) argues that “The bigger the ethics gap, the bigger struggle is required”. For example, it is easier to implement little changes to ECPs than change the whole ECP.

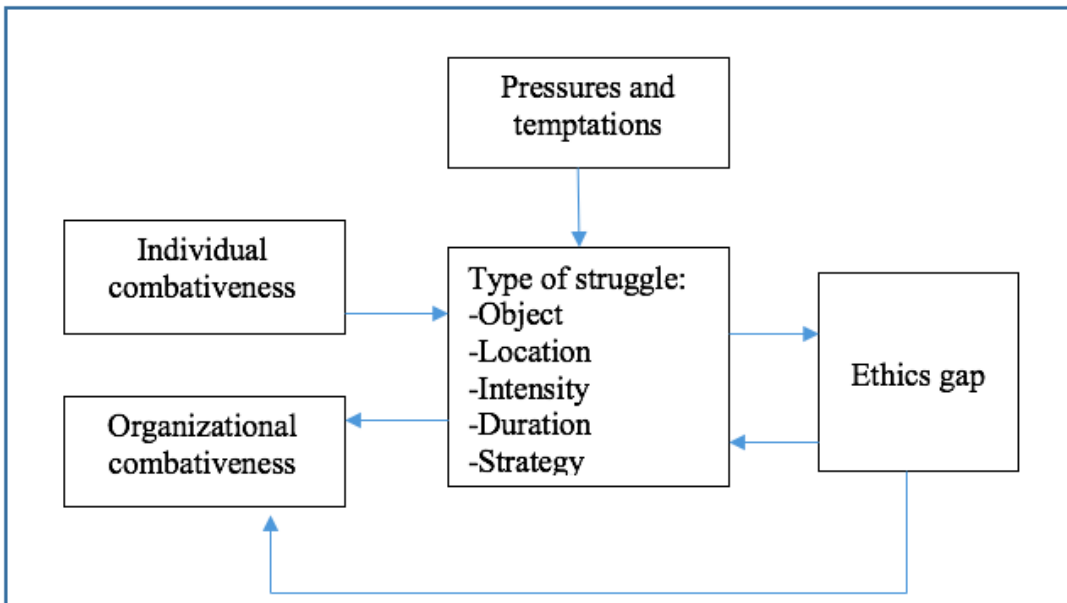


Figure 3. A model for ethics struggle (Kaptein 2017)

Individual and organizational combativeness demonstrate those virtues that will allow the struggle to be successful. Individual combativeness reflects managers' and employees' quality of combativeness for which Kaptein (2017) recognized seven characteristics: wisdom, moral conviction, self-control, willpower, courage, confidence, and skill. The better these characteristics emerge, the better the struggle will be. Combativeness has also an organizational perspective. In Kaptein's earlier studies (2011) he has developed the Corporate Ethical Virtues Model – CEV model. The CEV model forms organizational conditions for managers and employees to act more ethically and this model helps to define the organizational conditions for successful struggle of managers and employees. Organizational combativeness has also seven characteristics which are transparency, clarity, achievability, role modeling, discussability, commitment, and sanctionability (Kaptein 2017). And same goes here, the more these characteristics emerge in an organization, the better the struggle will be.

Combativeness can be developed in practice either in real-life cases or in training. For example, Gailliot et al. (2007) found that regular exercise that requires self-regulation can increase willpower. The more struggles an organization has, the more the individual and organizational combativeness will increase. Combativeness can decrease if one or more characteristics are missing which, then, will lead to worse ethics struggle. An ethics gap can either increase or decrease combativeness which will affect the size of the struggle (Kaptein 2017). Thus, all these aspects affect each other either positively or negatively.

Kaptein (2017, 353) has summarized that “the dimensions of an ethics struggle are object, location, duration, intensity, and strategy: its conditions are personal and organizational combativeness; and the consequences of an ethics struggle are defeat or victory”. The better combativeness organizations and individuals have, the better the struggle is, and the ethics gap will become smaller or even disappear (Kaptein 2017). And combativeness can be developed through struggling so it is something that organizations and individuals can change (Kaptein 2017). On the other hand, Trevino et al. (2006) sees ethical norms as more static but Kaptein’s (2017) view is that ethical norms are dynamic. Struggle theory (Kaptein 2017) also pays attention to the challenges in implementing new ethical norms and how they even cause unwanted behavior.

2.4 Summary of the Theoretical Framework

This study’s theoretical framework started by describing the meaning of ethics and compliance work. Ethics and compliance work are the systematic implementation of ECPs and associated guidelines. These include informal and formal ethics and compliance systems. According to Falkenberg and Herreman (1995), informal systems have more influence on people’s behavior when ethical misconducts are resolved but formal policies are important for guiding behavior and for encouraging ethical behavior. Thus, trusting only on a formal program is not enough – organizations need support from the entire organization (Weaver, Treviño, and Cochran 1999b). Thus, formal and informal components can be difficult to distinguish from each other and in order to achieve an ethical organization, both formal and informal components need to be in place.

The formal systems include the ethics and compliance program (ECP), which compliance officers are often responsible for. Kaptein (2015) has categorized formal ECPs into nine components: accountability policies, code of ethics, ethics officer, ethics report line, incentive policies, investigation and correction policies, monitoring and auditing, training and communication, and pre-employment screening of prospective employees. These are the core elements of this study. Although the elements Kaptein (2015) has categorized might seem formal, these elements are affected by informal systems. If what is said (formal) and what is done (informal) differ from each other in terms of an ECP it may have harmful decoupling effects. Employees may think that organizations themselves are decoupling from ECP practices if leaders signal a misalignment between words and deeds (Maclean et al. 2015, 363–364). This comes down to the implementation of the ECP. A badly implemented program or the program was not approved in practice may even have negative effects on the organization’s members’ perception of the policy and even on the organization itself (Maclean

et al., 2015, 363). Despite the quality of implementation, some studies show critique towards ECPs effectiveness (e.g., McKendall, Demarr and Jones-Rikkers 2002; Pelletier and Bligh 2006).

Next, the theoretical considerations towards the impact of ethics and compliance work were discussed. It is important to evaluate the impact of ethics and compliance work, in order to be sure that they are effectively reducing unethical behavior. The research has been fragmented but Kaptein and Schwartz (2008, 113–114) have gathered together a review of existing literature that examines the effectiveness of business codes. These factors are external characteristics, stakeholder expectations, macro, and meso codes. How much the codes guide the behavior of management and employees depends on the code processes such as the development, the content, and the implementation of the code (Kaptein and Schwartz 2008, 117–118).

Furthermore, the relationship between ECPs and misconduct depends on a company's ethical culture. When companies have an ethical culture, the ECPs' role may decrease. But ECPs seem to strengthen ethical culture, so they do have an important role when reducing unethical behavior (Park and Blenkinsop 2013). It is essential for organizations to measure unethical behavior for them to decide if and what measures need to be utilized to strengthen the ethical behavior in the organization (Kaptein 2008, 1003). Kaptein (2008) has developed an instrument to measure unethical behaviors in organizations. This measure consists of 37 items, but this measure has its limitations also since unethical behavior is so specific to every organisation contexts in a specific time. Thus, measuring the effectiveness of ethics and compliance work remains a challenge.

The last part of the theoretical framework was Kaptein's (2017) struggle theory. Struggling is needed because managers and employees face pressures and temptations in organizations and the greater the ethics gap is, the greater the struggle is needed. For example, it is easier to implement little changes to ECPs than change the whole ECP. Kaptein (2017, 353) has summarized the ethics struggle theory to be "the dimensions of an ethics struggle are object, location, duration, intensity, and strategy: its conditions are personal and organizational combativeness; and the consequences of an ethics struggle are defeat (the creation or increase of an ethics gap) or victory (the decrease or dissolution of an ethics gap and the adoption of new norms)". This theory helps to analyze survey results because it covers a broad range of dimensions, consequences and conditions of ethics struggles in organization.

3 DATA COLLECTION AND METHODS

As mentioned, the purpose of this study is to describe and get a better understanding of ethics and compliance work in the Nordics. The study focuses on how to measure the effectiveness of ethics and compliance work and how compliance officers see the impact it has. The study also seeks to find out what compliance officers think is the best way to reduce unethical conduct and are there some activities that they would like to implement but have not been able to.

This chapter describes the target group, preparations of the measurement, and the data analysis methods. In addition, the reasoning for the chosen methods as well as their suitability for this study is presented. The last part considers the research validity and reliability.

3.1 Target Group

Compliance officers were chosen because they are often responsible for developing and running ethics programs in organizations (Hogenbirk and Desirée 2021). Or if they are not directly responsible for it, they often have knowledge of it and thus, the ability to answer the questionnaire. Titles may vary in different organizations and some companies may not even have ethics or a compliance officer. However, the goal was to reach those who are responsible for ethics and/or compliance work in their organization and get the knowledge they have. In addition to their overall knowledge around ethics and compliance work, they also possess a practical view of their organization's ethics and compliance work, which this study seeks to get a better understanding of.

Nordic Business Ethics' initiative was used to help to collect the data. The initiative is founded by two ethics and compliance professionals and researchers, since 2019 they have been developing a community for compliance, ethics, and sustainability professionals. In autumn 2021 the Nordic Business Ethics' LinkedIn page had 874 followers and 759 newsletter subscribers, who are approached both by email and through social media. The questionnaire was open for one month to get enough responses. For this research, it is important to consider the number of respondents when generalizing the results. One way to ensure that there is enough material is to avoid saturation, i.e., when respondents in a study no longer bring new information to the research but rather the data starts repeating itself (Tuomi and Sarajärvi 2009, 87). The results were tentatively evaluated while the survey was open to check if the data started to repeat itself or whether there was enough answer from

different countries. In case there was not, a reminder request to answer the questionnaire was sent to the followers and newsletter subscribers.

Vilkka argues (2007, 17) that the recommended minimum number of observation units is 100 when using statistical methods. The final number of answers was taken into account when the generalization ability of the results was evaluated. The questionnaire received 143 responses but 21 were excluded as the respondents were not working in the Nordics, thus, making the final number of respondents 122. Also, ethics & compliance profession is a rather new phenomena in Nordic organizations, and thus 122 responses were considered sufficient.

3.2 Preparations of the Measurement

The data was collected through a questionnaire that was sent to compliance officers working in the Nordics. Questionnaires are a suitable way of collecting data when the number of respondents is high and they are scattered (Vilkka 2007, 28). A measurement tool was developed for this study as no previous tool existed. According to Erätuuli, Leino and Yli-Luoma (1994, 37–38) measuring in the human sciences is often indirect, numerical, comparative, and may include errors. These all were taken into account when preparing the measurement.

First, the preparations for the measurement began by looking into the theory around the research topics which then became the basis of the questionnaire. The theory needs to be operationalized when a theoretical concept is empirically researched. The problem of operationalization in the human sciences is that several other theoretical concepts can be found for the phenomenon and at times, it is not even possible to find the absolute best definition (Hirsjärvi et al. 2007, 151). As the theory was studied in more depth, the questions for the survey began to form. The questionnaire started by asking the respondents' background information. Background questions serve as explanatory variables, i.e., the phenomenon is studied in comparison with those variables (Valli 2018, 94). The Nordic Business Ethics questionnaire's background information section was broader than what was selected for this research. The background information for this study was gender, age, country, and years of experience working as a compliance officer. For example, the education of the respondents, the industry where the organization operates, and organizations' sizes were left out due to the limited scope of this research.

After the background section was formed, the research questions for the next section, “Effectiveness of ethics & compliance work”, were developed. This section ended up consisting of four different questions where two were open-ended, one ready-to-answer option, and one four field question.

The reason for the open-ended questions was the benefit of getting the respondents to answer and express their opinions and ideas openly (Valli, 2018, 114). This study specifically wanted to give the professionals the possibility to tell their own opinions and experiences. By doing so, the research is able to reach a deeper understanding of the topic. Line questions and four field questions were included because they give direct information that would be difficult to answer in an open-ended question. Furthermore, they made the questionnaire more versatile and thus, maintained the respondent’s interest easier.

The questions with answer options were operationalized from theory. Additionally, professionals were used in the operationalization process, and they made some additions and refinements to the survey. The questionnaire was also tested three times. The use of a pilot study seeks to reduce misunderstandings of questions and inaccurate and incorrect completion of the form (Hirsjärvi et al. 2007, 199). After the feedback was received, a few corrections were made to the survey. The four-field technique was chosen because respondents can discuss two dimensions in the same question. In this case, the future and the present.

The questionnaire was sent online. The advantage of online surveys over postal surveys is the speed, visuality, and cost-effectiveness (Valli 2018, 117–118). Each respondent is asked the same questions in the same way. The answer options are the same for everyone and everyone has the same space to answer the open-ended questions. The questionnaire was made in Zeffi, a survey tool that makes creating modern surveys and analyzing results easy. Nordic Business Ethics, the partner of this thesis, bought access to this tool, and Zeffi’s survey professionals also helped to build the questionnaire but more on the technical matters.

As mentioned, the questionnaire was published on the Nordic Business Ethics’ LinkedIn page where they, at the time of the survey, had 763 followers and over 500 subscribers for their newsletter. This number of interviews would be impossible to conduct because of time and financial resources which is why a survey was a better solution. The final number of answers was taken into account in how well the study can be generalized.

3.3 Data Analysis Methods

The purpose of the data analysis is to create a clear overall picture of the phenomena (Hämäläinen 1987, 32–33). The questionnaire's open-ended question part was analyzed by using material-based content analysis. Content analysis is a basic analyses method that can be used in all qualitative studies (Tuomi and Sarajärvi 2009, 91). It was not an obvious choice to choose material-based content (MBC) analysis method over theory-driven content (TDC) analysis. In TDC analysis, the material is approached on its own terms, but as the analysis continues it is forced into a certain theory (Tuomi and Sarajärvi 2009, 117). It was not chosen as the analysis method for this research as there is a possibility that some new information that would be interesting for the study but it would not fit the theory and thus it would be forced to be left out.

According to Tuomi and Sarajärvi (2009, 74–75), interviews have little to do with quantitative research. But they say it is possible to use interviews in qualitative research and responses can be classified into qualitative categories (Tuomi and Sarajärvi 2009, 74-75). But because this study did not involve interviews but a questionnaire, not all the steps of MBC analysis according to Tuomi and Sarajärvi (2009, 109) were necessary.

For this study, there was no need to do transcription or listen to interviews which is the first step in MBC analysis according to Tuomi and Sarajärvi (2009, 17). The second step in MBC is to get to know the data and look into it more generally. MAXDA, a software, which helps researchers to gain insights from written answers was used in this part. The next steps were reduction of the material and listing reduced expressions. After reduction and listing, similarities and differences were sought from the list, and they were categorized. Different categories were given different code names in MAXDA, which helped to find the differences and similarities from the data. Once the data were categorized, the key findings in each category were analyzed in light of the theory. Some quotes were selected from the material to demonstrate the case study findings and to provide additional insights.

The questionnaire's quantitative questions analysis was done in SPSS (Statistical Package for Social Sciences). The data were already obtained in numerical form from the questionnaire tool Zeffi so the data only needed to be transferred to SPSS. The chosen statistical method was cross-tabulation. Cross-tabulation makes it possible to examine the relationship between two classified variables and how they interact. The variables are placed in the same table so that one variable was placed in columns

and the other in rows (Heikkilä, 2010, 210). The results of cross-tabulation are presented in the form of a bar graph which helps to illustrate the results.

3.4 Validity and Reliability of the Research

It is important to evaluate the validity and reliability of any research. Validity concerns the question of whether scientists study a phenomenon they claim to study (McKinnon 1988, 36). Reliability seeks to enable researchers to provide information that is not random, and that study can be replicated (Hirsjärvi et al. 2007).

Survey studies face different threats to validity and reliability, and different tactics should be used to minimize these threats. Probably the biggest challenge for this research is the number of respondents in the survey. The number of respondents affects the success of any study and thus the reliability and validity of the research. This challenge was faced by keeping the questionnaire open long enough and sending reminder messages. It needs to be taken into account that the sample of this study is still quite small and therefore, the results should be carefully generalized.

It is also possible that the respondents did not understand the questions correctly which then can undermine the validity of the study. This problem can be reduced by constructing the questionnaire's instructions carefully and testing the form (Valli 2015, 45). To combat this challenge, the questionnaire was developed with professionals and it was tested multiple times and corrections were made accordingly. Although it was informed that the survey is only for compliance officers in the Nordics, there were still respondents from other countries and from those who were not responsible for ethics. These responses were removed from the data. The number of deleted answers is informed in section 4.

Surveys have reliability benefits such as the questions being the same for everyone and the presence of the researcher does not affect the answers (Valli 2015, 44). This was also true for this survey. The respondents could answer anonymously, and individual and identifiable responses were not published.

Because this research was in cooperation with Nordic Business Ethics, it needs to be noted that their personal opinions did not affect the research results. This research is a completely separate project from the Nordic Business Ethics own study.

4 FINDINGS

This chapter presents the results of the study. 143 answers were collected in total but 21 of those had to be excluded because their organization's headquarters was not located in the Nordics. The final number of respondents was 122. The first section discusses the demographics of the respondents in order to provide an overall picture of the target group. The following section, then, considers the results from the question regarding the ways the respondents measure the effectiveness of ethics and compliance work are introduced. The following subsection focuses on the results from the question on how ethics and compliance work has impacted the organizational culture. All the answers are first shown in general. After, the answers are then analyzed by country, gender, age, and years of working experience. The last subsection discusses the results from the open-ended questions about the most effective ways to reduce unethical conduct and activities that the respondents have not been able to implement due to limited budget or management support.

4.1 Background information

This section introduces the demographics of the respondents in more detail in order to achieve a better understanding and an overall picture of the target group. First, country, then gender, then age and then working years.

Country

Figure 4 shows the distribution of the countries where the respondents' organizations' headquarters is located. From the 122 respondents, 48 (39%) were from Finland, 44 (36%) from Sweden, 13 (11%) from Norway, 15 (12%) from Denmark and 2 (2%) from Iceland. It is worth noting how the greater number of respondents from Finland and Sweden will result in greater influence on the results compared to influence of respondents from Norway, Denmark, and Iceland. Due to this uneven distribution, this is strongly considered when comparing results between countries.

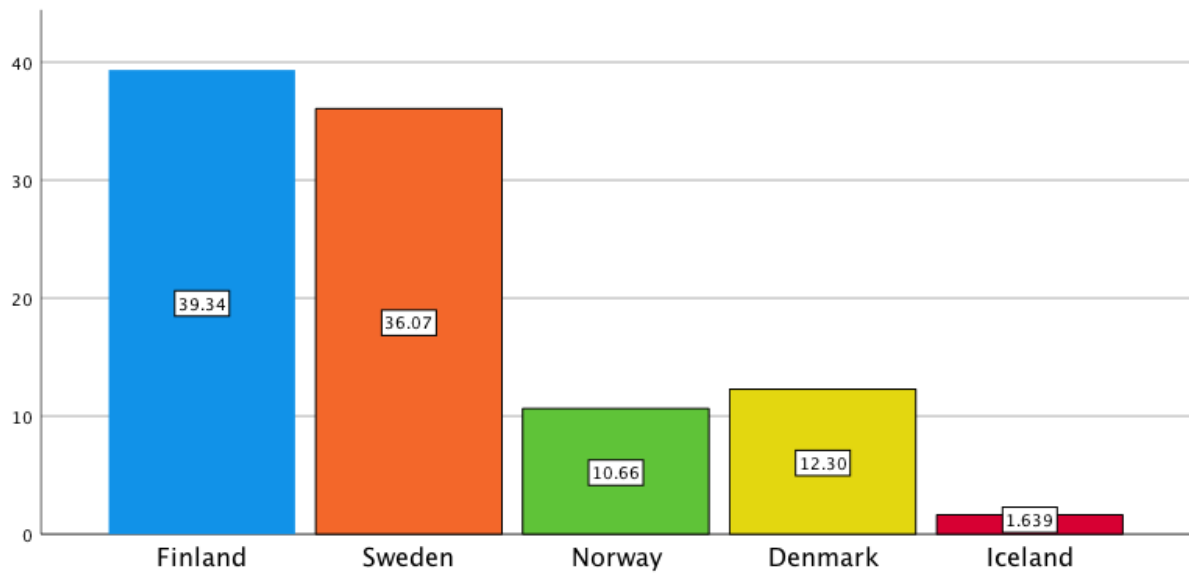


Figure 4. Country distribution

Gender

The figure 5 shows the gender of the respondents. There were 73 (60%) female respondents, and 46 (38%) male respondents see Figure 2. 3 (2%) preferred not to answer their gender see Figure 2.

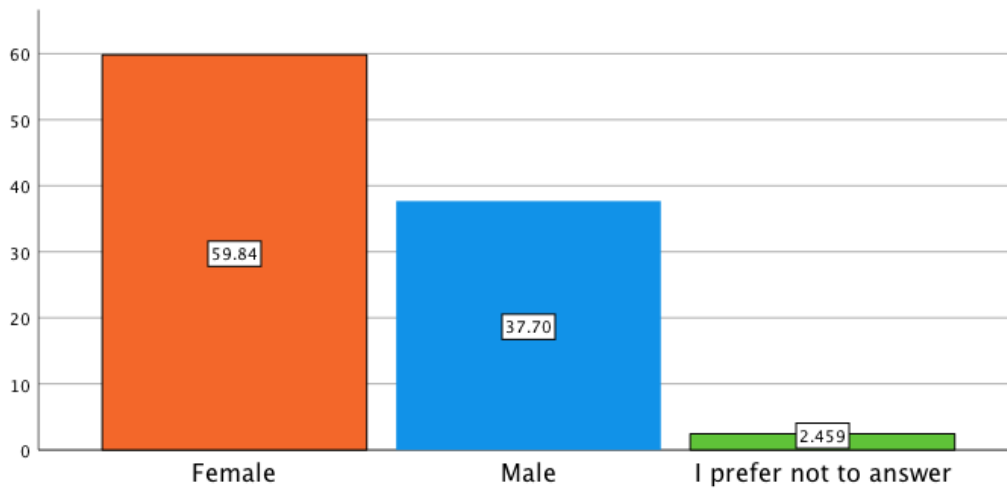


Figure 5. Gender distribution

Age

Figure 6 shows the distribution of the respondents' age. The most represented age group was the ages between 40 to 49 with 65 respondents. This group covered over half (53%) of the entire number of respondents. 30 respondents were between the ages of 50–59 (25%) and 18 respondents were between the ages of 30–39 (15%). Not surprisingly, the least respondents belonged to the youngest age group (20–29-year-olds) with only 5 (4%) respondents and to the oldest age group (+60-year-olds) with only 4 (3%) respondents.

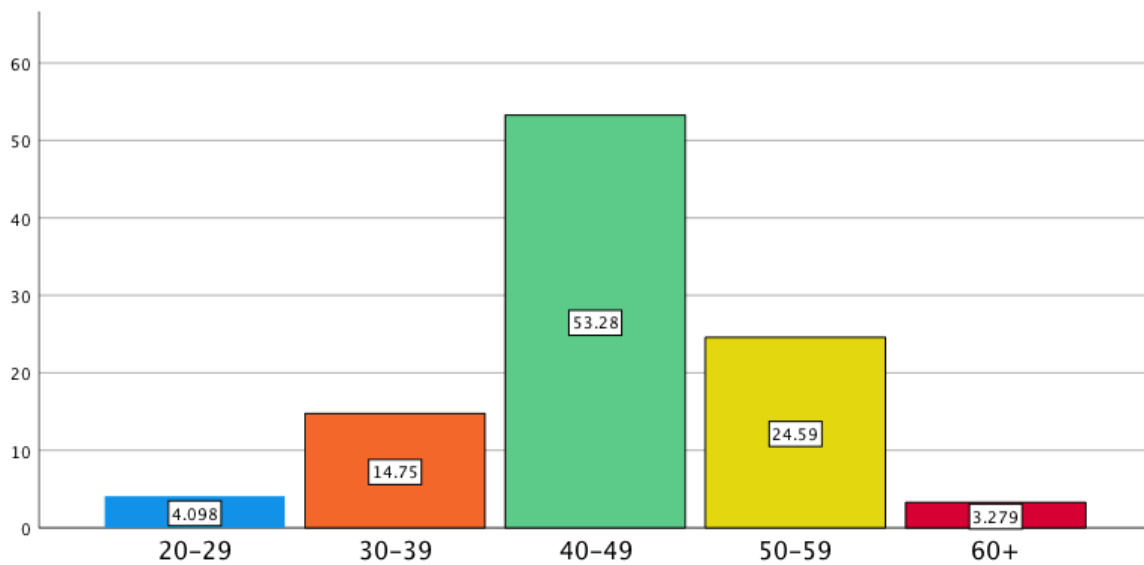


Figure 6. Age distribution

Working years

Figure 7 shows how many years respondents have been working with ethics and compliance in general. Most of the respondents had more than two years of experience working in the field of ethics and compliance. From the 122 respondents, only 14 (12%) had 0–2 years of experience working with ethics and compliance, 32 (26%) had 3–5 years of experience, 35 (29%) had 6–9 years of experience and 41 (34%) had 10+ years of experience in the field.

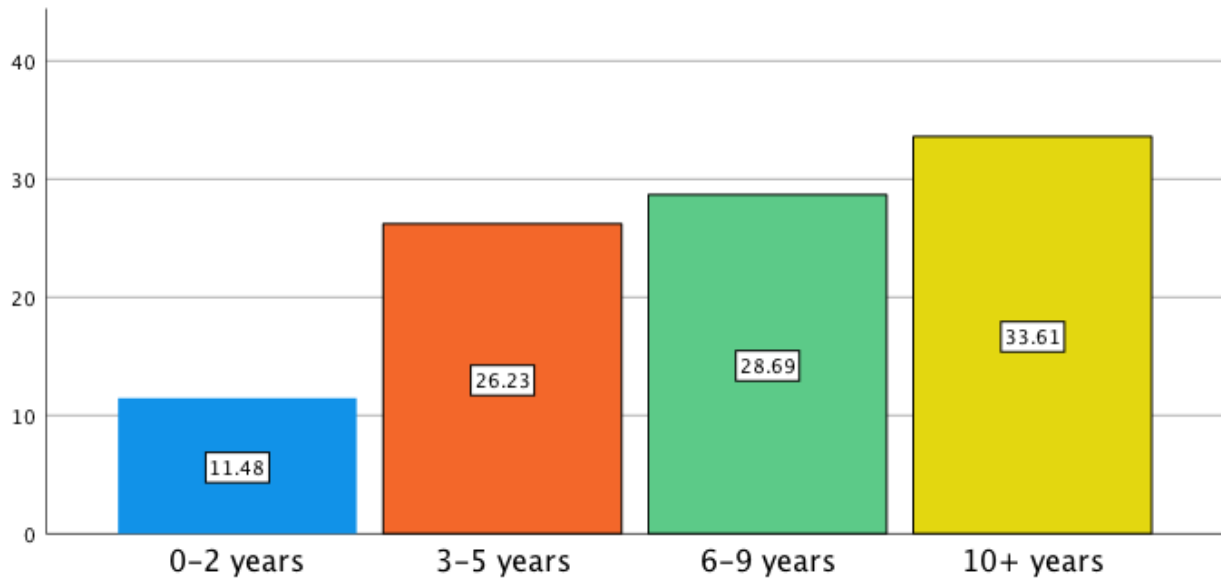


Figure 7. Working years distribution

4.2 Measuring Effectiveness of Ethics & Compliance Work

This section introduces the results from the questionnaire regarding the impact of ethics and compliance work. Regarding the ways the respondents measure the effectiveness of ethics and compliance work, the question was phrased as “How do you measure the effectiveness of Ethics & Compliance work?”. The respondents could select all the answer options they thought applied.

Overall results

Figure 8 shows how the answers distributed with this question. Almost half (46.15%) of the respondents chose compliance audits by internal audit as a tool to measure effectiveness. The second most common way to measure effectiveness was compliance ethics surveys (35.6%) and mandatory tests after training (35.6%). 31.7 per cent answered that they do not specifically measure effectiveness. Almost one-third (28.8%) use management interviews and focus groups to measure effectiveness. Data analytics as a way to measure effectiveness was answered only by 19 per cent while compliance audits by an external party were the most unpopular way to measure effectiveness with only 12.5 per cent of the answers, if not counting the option “Other, please specify” that 7 per cent of the respondents answered. Their answers were our own audits, internal controls, reports and investigations, KPI on how to mature the programs and culture, training completion percentages,

E&C program materiality model and compliance function is totally new in our organization and therefore this is not specified yet.

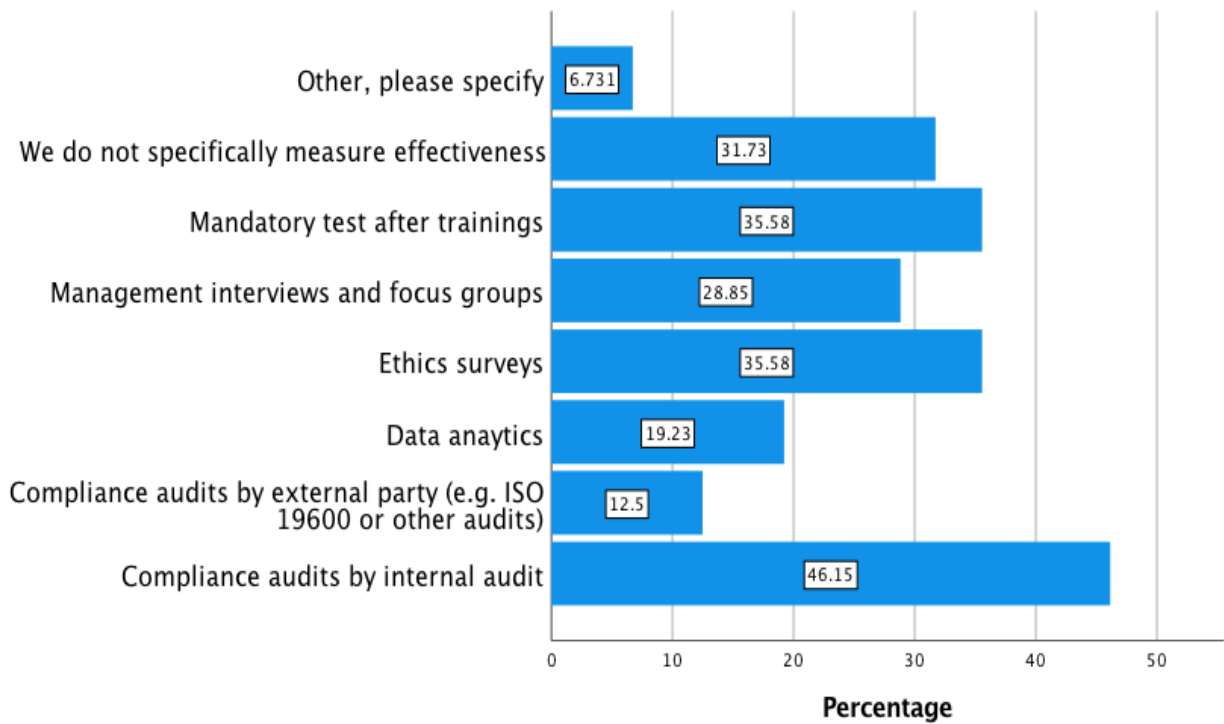


Figure 8. Overall results to question “How do you measure the effectiveness of Ethics & Compliance work?”

Country difference

Figure 9 shows the distribution of the answers by the respondents’ country where blue is used to denote Finland, orange for Sweden, green for Norway, yellow for Denmark and red for Iceland. As there were only two respondents from Iceland, it is not statistically sensible to analyze them in more depth.

Finland’s most common answer was “Mandatory test after training” and the least common was “Compliance audits by external party (e.g. ISO 19600 or other audits)”. Sweden’s most common answer was the same as Norway’s “Compliance audits by Internal Audit”. The least common answer was “Other, please specify” and the second least was the same as Finland, “Compliance audits by external party (e.g., ISO 19600 or other audits)”. As mentioned, Norway’s most common answer was “Compliance audits by Internal Audit” but almost as popular was “Ethics Surveys”. The least common answer for Norway was “We do not specifically measure effectiveness” and “Other, please specify”. Denmark’s most common answer was “We do not specifically measure effectiveness” and

the least common answers were “Compliance audits by external party (e.g., ISO 19600 or other audits)” and “Other, please specify”. Iceland’s most common answer was “Data analytics” and “Management interviews and focus groups”.

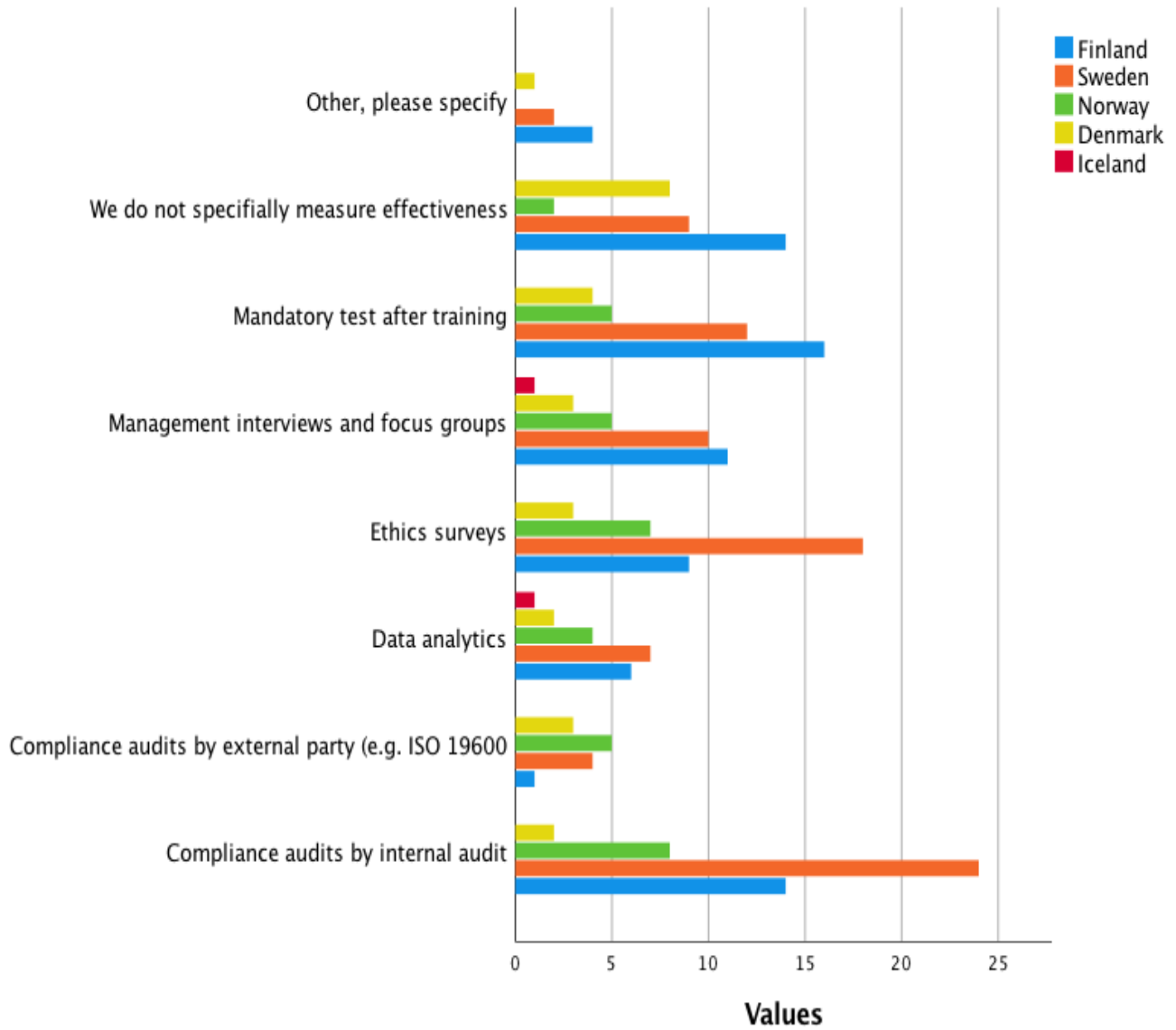


Figure 9. The distribution of the answers by the respondents' country

Gender difference

Figure 10 shows the distribution of the answers by respondents' gender. Orange represents female respondents and blue is used for males. Both female and male respondents had the same most popular answer: “Compliance audits by internal audit”. And both had the same least popular answer:

“Compliance audits by external party (e.g., ISO 19600 or other audits)”. Although the answers are quite similar regardless of gender, some differences can be found. Female respondents have answered “Ethics Surveys” more often than male respondents whereas male respondents have answered “We do not specifically measure effectiveness” more often than female respondents.



Figure 10. The distribution of the answers by the respondents' gender

Age difference

Figure 11 shows the distribution of the answers by respondents' age. Blue is used to denote the respondents between the ages of 20–29. Their responses were very evenly distributed as was expected as there were only five respondents belonging to this age group. The most common answers from 20–29-year-olds were “Compliance audits by internal auditors”, “Data analytics”, “Ethics surveys” and “Mandatory test after training”. The least common answers were “Compliance audits by external party (e.g., ISO 19600 or other audits)”, “Management interviews and focus groups”, “We do not specifically measure effectiveness”. The option “Other, please specify” did not come up in this age group at all.

In Figure 11, orange represents the respondents between the ages of 30–39. Their most common answers were “Management interviews and focus groups” and “We do not specifically measure effectiveness”. The least common answers were “Compliance audits by external party (e.g. ISO 19600 or other audits)” and “Other, please specify”.

The most common answer for the next age group, 40–49-year-olds, was “Compliance audits by internal auditors” (represented by green in Figure 8. Other answers were quite evenly distributed but “Data analytics” and “Other, please specify” were the least common answers.

In Figure 11, yellow represents respondents between the ages of 50–59. Their most common answer was the same as for the 40–49-year-olds, that is “Compliance audits by internal auditors”. The least common answer was the same as for the 30–39-year-olds: “Compliance audits by external party (e.g., ISO 19600 or other audits)” and “Other, please specify”.

The last and oldest age group, respondents aged 60 and older, is represented by red in Figure 8. Their responses were very evenly distributed but as was mentioned with the youngest age group, the small number of respondents aged 60 or over, only four, should be considered when looking at the distribution of their answers. Their most common answer was “Ethics Surveys”, and the least common answer was “Compliance audits by external party (e.g., ISO 19600 or other audits)”, “Other, please specify” and “We do not specifically measure effectiveness”.

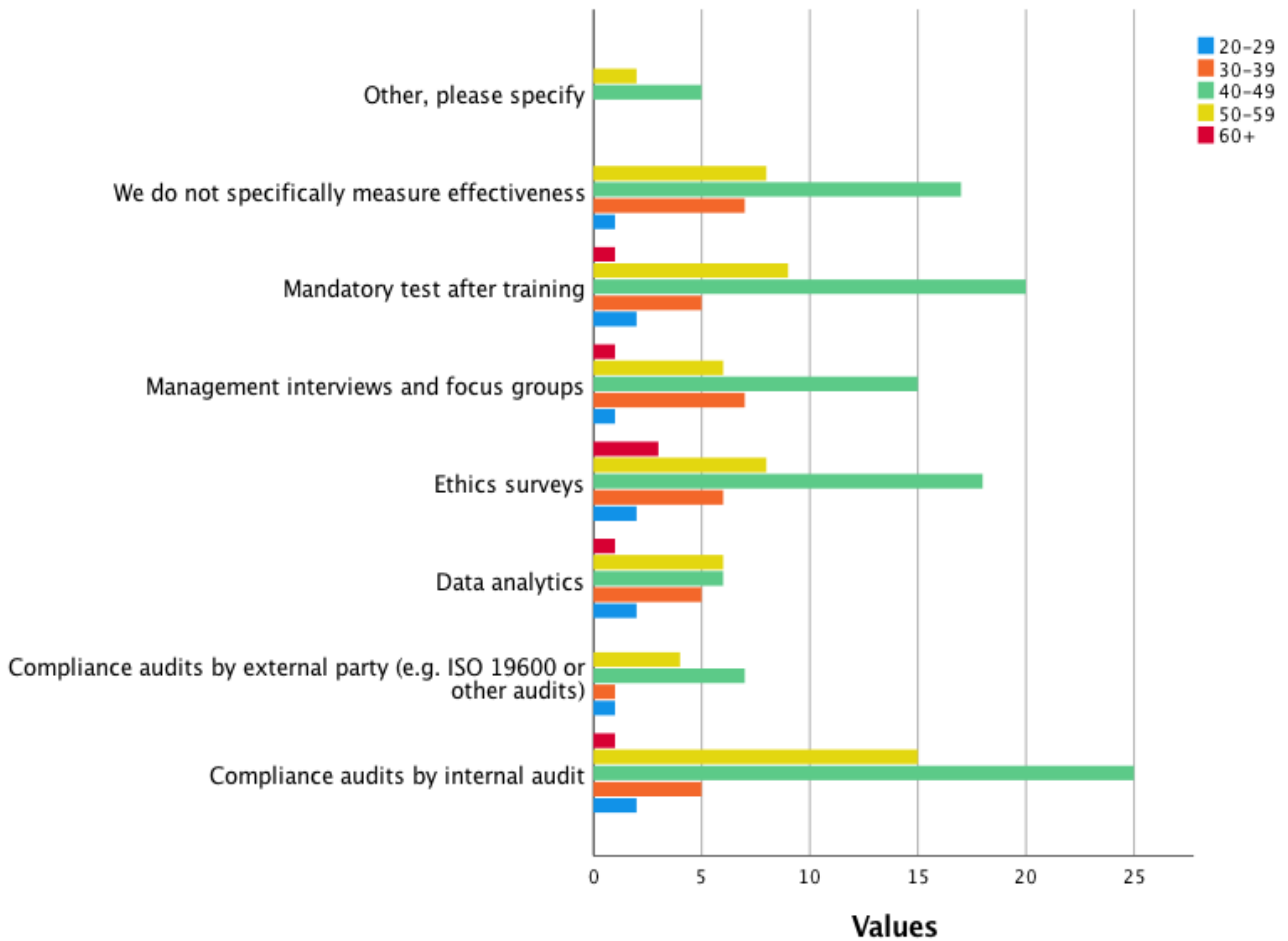


Figure 11. The distribution of the answers by the respondents' age

The difference in working years with ethics & compliance

When comparing results by how many years the respondent had been working with ethics and compliance, the results differed more. Figure 11 shows the distribution of the answers by the respondents' work experience. Here, blue is used for respondents with 0–2 years of experience working with ethics and compliance, orange for respondents with 3–5 years of experience, green for respondents with 6–9 years of experience and yellow for respondents with 10+ years of experience in ethics and compliance.

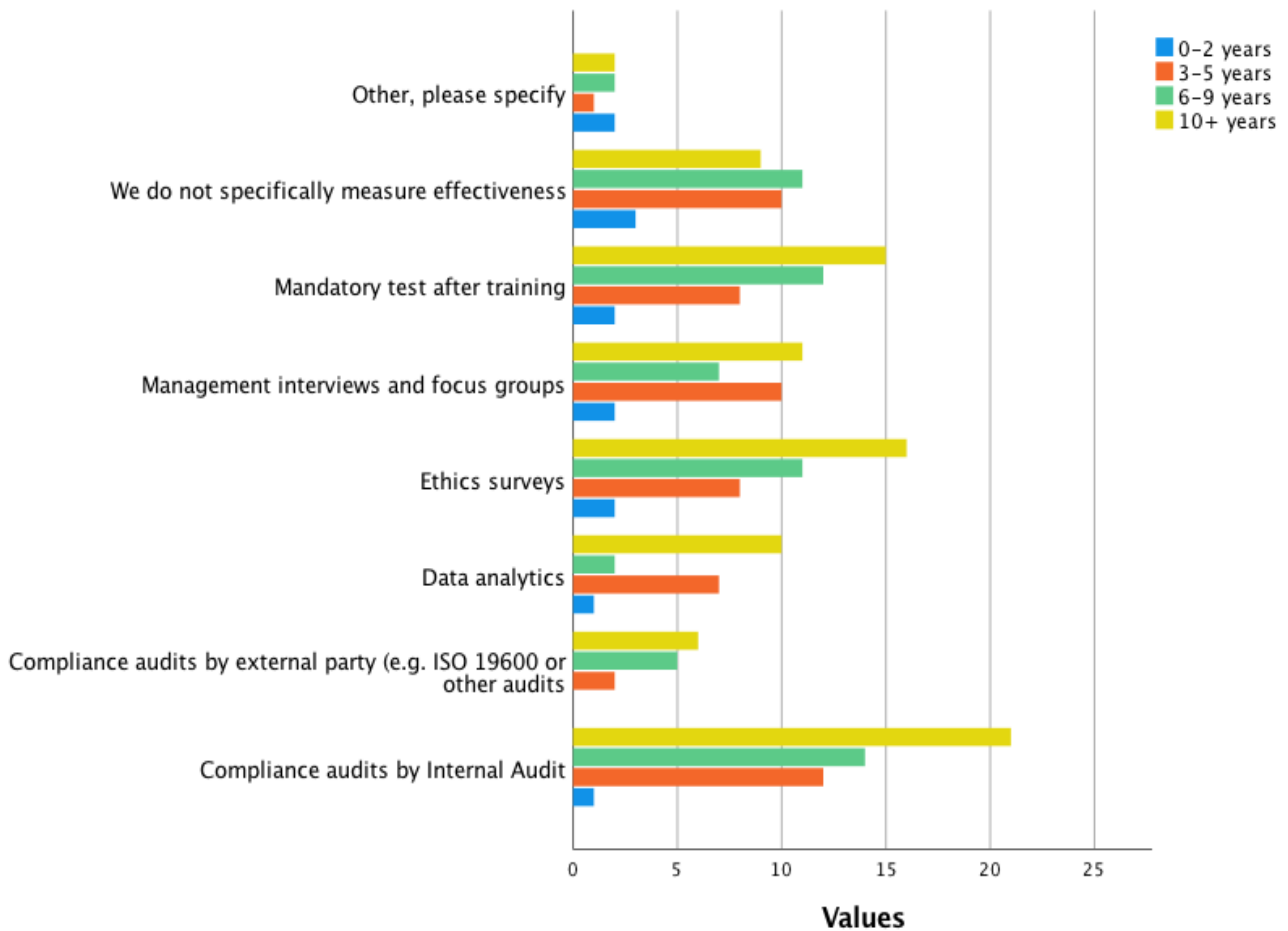


Figure 12. The distribution of the answers by the respondents' working years

The least common answer for respondents with 0–2 years of experience was “Compliance audits by external party (e.g., ISO 19600 or other audits)” while the most common was “We do not specially measure effectiveness”. Answers to the other activities were distributed quite evenly. Again, it is important to consider the small number of the respondents in this particular group.

The least common answers for respondents with 3–5 years of experience working with ethics and compliance were “Compliance audits by external party (e.g., ISO 19600 or other audits)” and “Other, please specify” whereas the most common answer was “Compliance audits by internal Audit”. The second most-often chosen options were “Management interviews and focus groups” and “We do not specifically measure effectiveness”.

The respondents with 6–9 years of experience working with ethics and compliance also answered most “Compliance audits by internal audit”. The second most popular answer option was “Mandatory testing after training” and the least answered were “Data analytics” and “Other, please specify”.

Lastly, the respondents with 10 or more years of experience working with ethics and compliance most often answered also “Compliance audits by internal audit”. Their most common answer was also “Compliance audits by internal audit”. The second most common answer was “Ethics surveys” and almost as popular was “Mandatory test after training”. The least popular answers were “Compliance audits by external party (e.g., ISO 19600 or other audits)” and “Other, please specify”.

4.3 Impact of Ethics & Compliance Work on Organizational Culture

Regarding the impact of ethics and compliance work to organizational culture, the question was phrased as “*How has the Ethics & Compliance work impacted the organizational culture, and how do you perceive the impact to be in the future?*” in the questionnaire. There were 102 responses to this question.

Overall results

When looking all answers for current impact, the mean was 54.6 and the standard deviation was 20.6. For future impact, the mean was 67.1 and the standard deviation was 19.5. This can be seen in the figure 13. The mean is a measure of the center of the distribution, calculated by dividing the sum of the observations by the number of observations. Standard deviation tells you how spread out the data is. It is a measure of how far each observed value is from the mean.

The closer the mean is to 100, the more significant respondents see the impact of ethics and compliance work on the organizational culture. For both current and future impact, the results go to the “significant” section as the means are above 50, however, only barely. Respondents saw that ethics and compliance work have less impact on culture now than in the future as the mean is only 54.6 for current impact whereas for the future impact the mean is 67.1.

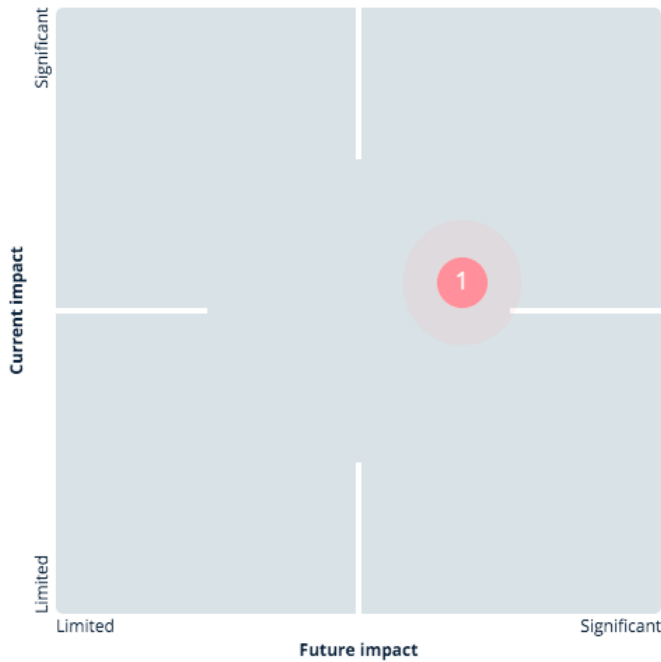


Figure 13. Overall results

Country difference

Comparison between all the different countries is not reasonable as there were significant differences in the numbers of respondents from different countries and thus, making the answers incomparable (see Table 1). From Iceland, only one answered the question about the impact of ethics and compliance work on the organizational culture making the sample so small that it would have distorted the results. However, from Finland and Sweden, there were almost the same number of respondents for this question, 38 respondents from Finland and 37 from Sweden. Their answers for both the current and the future impact were very similar. The respondents from Norway evaluated the highest impact for both current and future impact on the organization's culture when Iceland was excluded. The biggest difference between the current and the future impact was indicated by the respondents from Denmark.

Country	Mean for Current Impact	Standard deviation for Current Impact	Mean for Future Impact	Standard Deviation for Future Impact
Denmark (N=15)	46.5	20.9	66.8	18.8
Finland (N=38)	54.7	19.5	66.7	20.1

Norway (N=11)	71.1	13.1	74.4	7.4
Sweden (N=37)	54.4	19.0	64.6	20.5
Iceland (N=1)	0.0	0.0	100.0	0.0

Table 1. The distribution of the answers by the respondents' country

Gender difference

The difference between female and male respondents is very little, for the future impact, the mean was the same for both (see Table 2). For current impact, female respondents evaluated just slightly greater impact than their male counterparts.

Gender	Mean for Current Impact	Standard deviation for Current Impact	Mean for Future Impact	Standard Deviation for Future Impact
Female (N=57)	55.4	19.0	67.1	18.4
Male (N=44)	54.2	22.4	67.1	21.0

Table 2. The distribution of the answers by the respondents' gender

Age difference

The respondents' age brought slight differences to the results (see Table 3). The means and standard deviations went as follows. The youngest respondents saw that ethics and compliance work has the least significant impact on organizational culture, both current and future impact. The respondents between the ages of 40–49 saw that ethics and compliance work has the most significant impact on the organizational culture in the future while the respondents over the age of 60 thought that ethics and compliance work have the most significant current impact. However, they saw only a slightly greater impact of ethics and compliance work on organization culture in the future making it the smallest difference between the current and future impact. The biggest difference between the current and future impact came from the respondents who were the youngest (20–29 years old). They saw that ethics and compliance work has much more impact on the culture in the future than currently.

Age	Mean for Current Impact	Standard deviation for Current Impact	Mean for Future Impact	Standard Deviation for Future Impact
20–29 (N=5)	44.4	19.6	61.8	20.1
30–39 (N=15)	55.5	24.2	62.7	19.1
40–49 (N=53)	53.0	19.0	69.1	18.8
50–59 (N=25)	57.8	21.7	66.8	19.8
60+ (N=4)	64.8	6.3	66.5	22.1

Table 3. The distribution of the answers by the respondents' age

The difference in working years

When comparing the results between how many years the respondent had been working with ethics and compliance more differences occurred in the results (see Table 4). The ones who had been working with ethics and compliance for the shortest period of time (0–2 years) thought that the impact of ethics and compliance work for both current and future impact on organizational culture is the most limited. The respondents who had been working with ethics and compliance for 3–5 years got the highest mean (59.1) for current impact, i.e., they evaluated quite a great impact of ethics and compliance work to the organizational culture for the current situation. The highest mean (71.3) for future impact came from the respondents who had been working with ethics and compliance for 6–9 years. In their answers, the difference between the current and the future was the highest, i.e., they evaluated the impact of ethics and compliance strongly to have more impact on the organizational culture in the future. The smallest difference between the current and future impact came from the respondents who had been working for 3–5 years with ethics and compliance. They saw only a slightly greater impact on the organizational culture in the future.

Working Years with Ethics & Compliance	Mean for Current Impact	Standard deviation for Current Impact	Mean for Future Impact	Standard Deviation for Future Impact
0–2 (N=7)	42.6	18.3	55.7	26.4
3–5 (N=29)	59.1	16.9	64.9	18.5
6–9 (N=30)	52.5	20.9	71.3	12.2
+10 (N=36)	55.0	22.2	67.6	22.3

Table 4. The distribution of the answers by the respondents' working years

4.4 Most Effective Ways to Reduce Unethical Conduct

The next part of the questionnaire was an open-ended question that asked the respondents what they think had been the most effective way to reduce unethical conduct in their organization. The question got 68 answers out of 122. Qualitative data analysis software MAXQDA was used to help analyze and categorize the answers. Different code names were given according to what was mentioned in the answer from the respondents. One answer could get more than one code depending on its content. A total of 9 codes was used and the codes were used to categorize the answers. The codes were management, training, communication, awareness, real cases, culture, sanctions, investigations, and other. The code “other” represented all the things that were mentioned only once. As there were only four of these, they were excluded from the analysis.

Management

Management was mentioned the most often, 28 times. By management, respondents meant that they think leaders should lead by example, be committed, and be dedicated to compliance issues to effectively reduce unethical conduct. People expect that leaders should set the tone for the organization’s ethics. Here are some examples from the answers:

“Strong commitment from the management for disciplinary actions when someone is not following the common rules.” (Q1).

”Strong tone from the top and consequent handling of issues, i.e., same high expectations independent of whether a subject is junior, senior, very senior or the highest performer...” (Q2).

These quotes show that leaders are expected to have a strong commitment to ethical work. Lack of commitment shows employees a bad example and can increase unethical conduct. Leaders also need to have the same high expectations for everyone, no matter the employee’s title. The leaders themselves are expected to show accountability.

Furthermore, many answers were related to other means but were linked to management. This indicates that many see that the top management has a strong impact on many other means when reducing unethical conduct.

”Management style and the general risk-averse company culture create an environment which, if not reduced, at least does not encourage unethical behavior.” (Q3).

“Communication & Training supported by the top Management” (Q4).

Like Quote 3 states, management style affects the organization's environment whether it reduces or encourages unethical behavior. To achieve ethical behavior among employees and ethical culture in general, the management style needs to be designed properly. Quote 4 states that communications and training need support from the top management in order to be effective. One respondent even said that the leader should have the right kind of character.

Training & Communication

Training and communication were mentioned the second most often, both 25 times. Respondents said that training should be inspiring, regular, and even mandatory in order to effectively reduce unethical behavior.

“Training scenarios that explain where to draw the line in grey/difficult areas.” (Q5).

“Use real-life cases in the training” (Q6).

Like Quote 5 and 6 say, it matters what the training includes. Especially the grey and difficult areas should be explained more thoroughly and using real-life cases might help employees to better recognize ethical risks in their organization. Respondents mentioned also both face-to-face training and e-learning and even behavioral training.

“I believe the focus in e-learning and other online venues to seek support and advice have increased; people tend to take more time to complete for example the Code of Conduct e-learning than in the past.” (Q7).

Quote 7 demonstrates that training and overall ethics work is a long-term process that is rewarding over time. Taking more time to conduct the training can have a much better impact than just doing the training hastily and without reflection. It was also mentioned that specific training should also be created to line managers.

Communication was seen to have an important role in reducing unethical conduct. By communication, respondents meant that organizations could explain why ethics are important, give employees a chance to ask questions and thus, increase their knowledge. Communication should be clear, open, and constant. It was also seen as having an important role in changing the organizational culture.

“Open discussion on the ethical question. A public channel for anyone to ask questions about ethics and compliance.” (Q8).

Quote 8 says that openness is important when communicating about ethics. A public channel to ask questions can help employees to achieve a better understanding of where the ethical risks might arise.

“Explaining the why we need to conduct business in a responsible way” (Q9).

“Increase knowledge and make compliance & ethics easy to understand and close to the business.” (Q10).

As the above quotes state, by communicating clearly and effectively, ethics officers can explain the importance of ethics and increase awareness. Some employees who do not work around ethics or compliance issues might have difficulties in understanding why they are important. If people do not understand guidelines about ethics, it is hard to follow them.

Other

Awareness was mentioned 10 times. Even though increasing awareness is close to communication and training, it was mentioned separately so many times that it was necessary to give it its own category. Respondents thought that increasing awareness can have an important role when reducing unethical conduct. They said that awareness can be increased for example by training and communication.

Culture was mentioned five times. Especially the tone of top management was seen to have an important impact on the organization's culture. Also having a speak-up culture where employees can and will open their mouths if they see misconduct as well as feeling safe to do so was seen as important.

Sanctions and investigations were both mentioned two times. The respondents saw these as an effective way to reduce unethical conduct if they are visible. They also should be fair, so that employees know that everyone gets the same sanctions. Sanctions should be truly executed if misconduct is detected.

4.5 Activities that Compliance Officers Have Not Been Able to Implement

The next part of the questionnaire included the open-ended question: "*Are there any activities that you have not been able to implement due to limited budget or management support?*". The question got 35 answers. Qualitative data analysis software MAXQDA was used to help analyze and categorize these answers.

Ten answered "no". Therefore, almost one-third thought that there are not any activities that they would like to implement but have not been able to due to limited budget or management support. One answered "no" but said it is more due to lack of time than lack of management support or limited budget. One respondent said that their business is in a start-up mode, so they do not have documented processes in place. The rest of the respondents had activities that they would like to implement.

The activities respondents would like to implement were diverse. The most common answers were related to more training (mentioned six times) and monitoring (mentioned six times). By training, respondents meant for example longer time to do training, more training about investigations, and face-to-face training for different stakeholders. By monitoring respondents meant for example that they would like to have more monitoring, do it proactively and in real-time.

Activities that were somehow related to management were mentioned five times. The respondents would like to have for example more support systems, add managers' awareness and have recording sessions with top management to demonstrate serious commitment from the top. There were also problems with communication with management and in the management changes.

The rest of the activities was mentioned 1-2 times. They were more proactive work, systems, in general, need an update, investigations, digitalization, ambassador program, auditing, ISO 37001, compliance risk assessment, data analytics, and effective tools for following coming and updated regulation. Three respondents did not expand on what activities they would like to have, they just stated that there are many of them.

5 ANALYSIS

The purpose of the study was to achieve a better understanding of the effectiveness of ethics and compliance work in the Nordics from the compliance officer's perspective. This was approached by four research questions that focused on measurement methods, the impact of ethics and compliance work on organizational culture, and the best practices that reduce unethical behavior. In addition, respondents were asked about methods that they would have liked to implement but have not been able to due to lack of resources.

In this chapter, the results of the study are analyzed in more depth. The results are reviewed in dialogue with previous research and theory. This combines the empirical part of this study with previously produced knowledge and seeks to answer the research questions. This chapter is divided into four sections. The first section analyzes the measuring methods. The following section, then, analyzes the impact on culture and then, the most effective ways to reduce unethical conduct. Last section is activities that have not been able to implement.

5.1 Measuring Effectiveness of Ethics & Compliance Work

When respondents were asked how they measure the effectiveness of ethics and compliance work the results revealed that the most popular way was using compliance audits by an internal audit. Almost half of the target group used that as a measurement. Compliance audits by an internal audit are a good way to measure effectiveness in organizations but on the other hand, traditional internal audit teams may not have the competence to audit ethics and compliance work more broadly such as organizations culture and the impact ECPs have. Kaptein and Schwartz (2008, 113) even added internal monitoring and conducting ethics audits as a component when evaluating ethics in an organization. Thus, the benefits of internal audits on measuring the effectiveness of ethics and compliance work have been recognized in previous literature and in practice.

Interestingly "Compliance audits by external party (e.g., ISO 19600 or other audits)" was not so popular among the respondents. This may increase over time as external validation of the program may become a standard, same as for internal audits. It seems that organizations rely strongly on internal monitoring and an external auditor is not wanted or seen as necessary. Like Weber (2015) stated, internal officers are more aware of their organizational culture and processes and thus, might

know better to ask the right questions. Internal monitoring might be preferred because the ethics of the organization are considered personal, and this information is not desired to be shared. It can also be due to a lack of resources in terms of funds or time as organizations need to audit other departments such as finance.

Only 7% answered "Other, please specify", which indicates that the questions in the survey were rather well formulated as respondents found suitable activities from the given options.

31.7% of the respondents answered that they do not specifically measure effectiveness. This indicates that organizations do not recognize what Kaptein (2008, 1003) described how measuring unethical behavior is essential for organizations to decide whether and which measures need to be taken to enhance the ethics of the organization. When the answers were compared between different countries, Denmark answered this the most. Norway answered this the least number of times; therefore, it can be argued that Nordic countries do see the importance of measuring ethics differently. Furthermore, the respondents who had worked with ethics and compliance the least amount of time (0–2 years) chose this option the most. In Joseph's study (2002), ethics officers who had 10–25 years of experience saw that their experience is a credibility to ECPs to succeed. This can indicate that when people start working with ethics and compliance, measuring is not the top priority. And the priorities and credibility evolve over time. But on the other hand, this was a quite popular answer for the 40–49-year-old respondents as well. Kaptein's (2017) struggle theory also has implications for the effectiveness of ECPs the organization runs. Implementing ECPs is not enough. Managers need to be sure that they are effective and continuously monitor adherence to the ECP in their unit (Kaptein 2017). Thus, these results indicate that 31.7% of the respondents' organizations might not be able to struggle the best way possible.

There were no significant differences between female and male respondents. This shows that despite gender, compliance work is done in the same way and the practices are the same. This is consistent with previous research that highlighted only the compliance officer's personality characteristics and innovative work behavior as having a correlation to the effectiveness of ethics programs, not gender (Hogenbirk and Van Dun 2021).

In conclusion, compliance officers in the Nordics are quite aware and know how to measure the effectiveness of ethics and compliance work. They use a variety of measures but on the other hand,

one-third does not measure effectiveness at all. This indicates that there needs to be more discourse around measuring the effectiveness of ethics and compliance work.

5.2 Impact of Ethics & Compliance Work on Culture

When respondents were asked, how has the ethics and compliance work impacted the organizational culture, and how do they perceive the impact to be in the future, the overall results showed that the respondents saw the ethics and compliance work as having less impact on culture now than in the future. This coincides with Ethics Research Center's (2007) results where they concluded that it might take up to 10 years to achieve the ECPs' goals. An organization's culture does not change fast and for example, presentation and education of new ECP does not and cannot immediately change the organization's culture.

In the answers, respondents from Denmark had the most significant difference between a current and a future impact of ethics and compliance work on the organizational culture. Respondents from Norway evaluated the impact to be highest in both current and in future cultures. Swedish and Finnish respondents' answers were similar. As mentioned, Iceland's respondents should not be compared with others, due to their low participation rate, which could falsify the results. These results show that although Nordic countries might be similar to each other, however, these differences come from somewhere. Danish organizations might emphasize more forward-looking ethics work and Norwegian companies might emphasize within the company or in the general debate in a society that ethics are important and have a positive impact on organizational culture. Almost identical results with Finnish and Swedish respondents might indicate for example that compliance officers from Finland and Sweden have done co-operation, their ethics work is closely related or the general discussion about ethics work is similar.

The youngest group of respondents (20–29-year-olds) saw that ethics work has the least significant impact on culture, both now and in the future. This might indicate that young workers do not believe, and value ethics work as much as their older colleagues. In addition, most likely many of the youngest respondents are also the ones who have been working with ethics and compliance the least amount of time (0–2 years), and when comparing these answers, the results are the same. Also, this is logical because older employees have seen the transition over time. Young people and those at the beginning of their career, do not see that ethics work has that much impact on the organizational culture, currently or in the future. But like mentioned earlier, to see the effectiveness of ECP might take even

10 years (Ethics Research Center 2007), and thus, younger people and people at the start of their career have not worked long enough to see the results. On the other hand, this survey was designed for ethics and compliance officers and thus, it is important to consider why they themselves do not believe their own work will have an impact.

The ones who evaluated the difference between current and future impact to the organizational culture the highest were the respondents who had been working with ethics and compliance for 6–9 years. Their mean for future impact was up to 71.3 and the mean for current impact was only 52.5. These results indicate that when you have been working with ethics for several years, you evaluate the impact to be much greater in the future. This might be because over the years you have been able to see the impact and understand that it takes time to change the culture and how ethics work can have an important role in changing it.

On the other hand, as regards the respondents' who had been working for over 10 years, their evaluation for future impact was not higher than that of the individuals who had been working with ethics for 6–9 years. Their evaluation was still the second-highest, but a conclusion cannot be drawn with certainty that the more you have experience of ethics work, the more you believe it will have an impact in the future. These results show that after 10 years of working, belief in the effects of organizations' culture in the future goes slightly down. There was no significant difference between female and male respondents. This can indicate the same as with the previous question, gender does not affect the compliance work.

Overall, the results show that the respondents did not see ethics and compliance work as having a significant impact on organizational culture as the mean is so far away from 100. Positively, the mean is over 50, so they do see that the impact is slightly positive. In Kaptein's (2017) struggle theory, he talks about organizational combativeness. This can be seen to mean the same as organizational culture because they both formulate organizations' conditions for managers and employees to behave ethically. Kaptein (2017) argues that combativeness should be developed, and characteristics should be in balance, i.e., that ethics and compliance work should be seen as an important aspect to changing the organization's culture because the culture has a huge role on people's behavior. Therefore, if the respondents do not think their work has much impact on the organizational culture, they should be encouraged to re-evaluate how they are doing their work and to make changes accordingly.

Changing the organizational culture can be difficult as the culture is made of a variety of things. Ethics and compliance work can be one factor, but it cannot be the only one. Respondents might have recognized that ethics and compliance work can affect culture only to a certain extent and other factors like leadership, other units, and processes should fill up the rest. Considering the possible impact on organizational culture should still be an important aspect when doing ethics and compliance work as ethical culture has so many positive impacts such as greater well-being, decrease in job changes, and reducing misconduct (Huhtala et al. 2021; Kangas et al. 2018; Kaptein 2009).

5.3 Most Effective Ways to Reduce Unethical Conduct

The next part of the survey was an open-ended question that asked the respondents what they think has been the most effective way to reduce unethical conduct in their organization. The most common answers related to management, training, and communication, awareness, and culture.

Management was the most popular answer among respondents. As in Joseph's study (2002, 311), where he divided a well-integrated ethics program into five different components, one component being addressing "leadership priorities as well as employee expectations for ethics". Also, in Brenners (1992, 393) ECPs division into explicit and implicit components, they both had elements of management in it. Thus, management is seen in the literature as an important part of ethics and compliance work.

By management, respondents meant that they think leaders should lead by example, show commitment, and dedication regarding compliance issues to effectively reduce unethical conduct, i.e., people expect that leaders should set the tone for the organization's ethics. Leaders' strong commitment and same high expectations for everyone are seen as important. If what is said (formal) and what is done (informal) differ from each other in terms of an ECP it may have harmful decoupling effects (Maclean et al. 2015, 363–364.). Leaders should not give empty promises and they need to show strength when employees are not following the common rules. In addition, disciplinary processes are identified in Kaptein and Schwartz (2008, 113) as important components of ECPs.

In Kaptein's (2017) struggle theory model, management cuts through every section. Managers can affect the type of struggle (especially the strategy on how to deal with the struggle) and the size of the ethics gap (it should also be noted that the gap managers cause may have a bigger negative impact) and the managers' characteristics can have a huge impact on combativeness, for example, role

modeling. Therefore, the influence that managers have when reducing unethical conduct simply cannot be ignored.

Furthermore, there were many answers that related to other means that need management support in order to succeed. This indicates that many see that top management has a strong impact on many other means when reducing unethical conduct. Management style affects the organization's culture whether it reduces or encourages unethical behavior. Management controls are a critical function in an organization, and they can impact employees' behavior in a desirable way (Merchant and Van der Stede 2017, 3). In order to achieve ethical behavior among employees and ethical culture, the management style needs to be designed accordingly. Additionally, in companies where senior managers and supervisors demonstrate ethical leadership, employees are more likely to speak up about their ethical concerns (Treviño et al. 1999). Like was stated in Quote 4, other functions do not work if they do not have the management's support.

Training and communication were mentioned the second most often, both 25 times. Communication and training relate to each other, in fact in many studies they are used as a pair and they are recognized widely to have an important role in ethics work (e.g., Kaptein 2015; Kaptein and KPMG 2008; Sims 1991). The respondents said that training should be inspiring, regular, and even mandatory in order to effectively reduce unethical behavior. Both face-to-face training and e-learning were mentioned.

It also matters what the training includes, and like Kaptein and KPMG (2008, 15–16) recognized, training should be organized in a variety of ways. They also need to be regular and systematic (Sims 1991, 503–504). Ethics training should help employees to recognize ethical issues (Weaver et al. 199a, 41–42), and using real-life cases in training is an efficient way to raise employees' awareness of ethical and legal issues that arise at their organization (Treviño et al. 1999, 132–135).

Training and overall ethics work are a long-term process that rewards over time. ECPs should in over time become a key part of an organization's culture (Joseph 2002, 311) and in order to do that, for example, ethics training needs to be done regularly and in many different ways to reduce unethical conduct. In Ruiz et al. (2015), training rose to have a strong impact on ethical intent if it is implemented properly. In Kaptein's (2017) struggle theory, training and practice were suggested as a way to develop the combativeness of organizations and individuals. This training can then lead to better combativeness characteristics and a better managers' and employees' struggle.

Communication was seen by respondents to have an important role in reducing unethical conduct. By communication, they meant that organizations could explain why ethics are important, give employees a chance to ask questions, and increase knowledge. Communication should be clear, open, and constant. It was also seen as having an important role in changing the organizations' culture.

An ethics report line is part of ECPs, and it provides employees an opportunity to report abuses or other concerns (Weaver et al. 1999a, 41–42). There ethics officers can provide guidance and give support. Pelletier's and Bligh's study (2006) found that organizations, where employees feel that the organization provides guidance to ethical decision-making, had a more positive perception of ethics program effectiveness than employees who felt that the organization did not provide sufficient information.

With communication, ethics officers can explain the importance of ethics and increase the knowledge and awareness of employees. In Joseph (2002, 322), ethics officers believed also that having a good reporting relationship and communication affects the ECPs' effectiveness. In Kaptein's (2017) struggle theory, there is recognized communication as one characteristic in organizational combativeness, in transparency. Transparency refers to the amount of ethical behavior and its consequences that are observable to employees. Thus, communication does have an important role in reducing unethical conduct.

Awareness was mentioned 10 times regarding the most effective ways to combat unethical conduct. Treviño et al. (1999, 132–135) identified seven outcomes that were relevant to achieving an effective ECP, and one of them was employee awareness of ethical and legal issues that arise at work. To achieve morally responsible behavior, McDonald's and Nijhof's (1999) research found that there needs to be an awareness of formal organizational goals. On the other hand, Pelletier's and Bligh's study (2006) could not find support for their hypothesis that awareness of formal ethics codes is related to program effectiveness.

Culture was mentioned 5 times regarding the most effective ways to reduce unethical conduct. Especially top managers tone was seen to have an important impact on organizations' role and achieving a speak-up culture was seen as important in reducing unethical conduct. It is surprising how few of the respondents answered culture because as previously described, ethical culture can have a huge impact on reducing misconduct. It is possible that the impact of ethical culture is still unknown and compliance officers prefer other ways when reducing misconduct. On the other hand,

culture does not exist in a vacuum but is a consequence from what is said and done, having an understanding of the true culture and not only relying on a “good culture” is key.

Sanctions and investigations were both mentioned only 2 times. Respondents saw these as an effective way to reduce unethical conduct if they are visible, fair, and are truly done if and when misconduct is detected. Sanctions are one characteristic that is recognized in struggle theory (Kaptein 2017) as a part of organizational combativeness. Rewards and punishments are important in changing behavior as rewards tend to lead to repetition and punishment to avoidance (Treviño et al. 2006).

In conclusion, the most popular way to reduce unethical conduct is done through management. Compliance officer’s role is to support management with information, bringing uncomfortable facts to the table, training in making the difficult decisions and realizing one’s own ethical blindness and unconscious bias. Thus, managers and compliance officers have an important connection to each other. Managers influence on employees’ behavior is recognized in the literature, it is still a great reminder to managers that many compliance officers, whose main job is to ensure ethics and compliance in the organization, think that managers have a significant role in supporting their work. The second most popular answer was training and communication which is also widely recognized in the previous research. As mentioned, ethics training needs to be done regularly and in many ways in order to reduce unethical conduct and communication needs to stay active so that compliance officers can give ethical guidance and provide sufficient information to employees. In other words, organizations should be encouraged to be investing in training and communication constantly.

The rest of the answers were not so popular but worth analyzing regardless. Raising awareness around ethics and organizational culture has a close link to management and communication, i.e., even that these were not mentioned as often it does not necessarily mean they are not seen as important. Respondents had to choose only one answer from all of the possible ways how to reduce unethical conduct and because, for example, management affects the organizational culture, they chose to answer management and not culture. However, the development of organizational culture into more ethical should not be forgotten as it has been proven to have a significant role in changing people’s behavior. Interestingly, sanctions were not so popular which indicates that compliance officers see preventive work like training as a better way to reduce unethical conduct than by punishing misconducts that are already done. Also, in Nordic context where consensus is important and high trust in each other, and employment laws may have an impact on this.

When comparing data results to Kaptein's (2017) struggle theory, some aspects were missing. Kaptein (2017) argues that organizational combativeness has seven characteristics which are clarity, role modeling, achievability, commitment, transparency, discussability, and sanctionability. From the results, management, communication, and adding awareness can be linked to many of these characteristics. For example, managers' role modeling was apparent in the data. Sanctionability was mentioned only a few times making it contradict the struggle theory. But all in all, Kaptein's (2017) struggle theory's seven characteristics to organizational combativeness go quite hand in hand with the results of this study.

5.4 Activities that Compliance Officers Have Not Been Able to Implement

The next part of the survey was the open-ended question: "*Are there any activities that you have not been able to implement due to limited budget or management support?*". Ten answered "no", making it almost a one-third that thought that there were not any activities that they have not been able to implement. This shows that one-third of the respondents in this questionnaire received enough support to do their ethics and compliance work. On the other hand, these respondents might not feel that they have to implement any other activities because they feel that they are doing enough, and they do not suggest anything else. Their organizations' ethics and compliance work may be in such good shape that does not need any other activities, but this can also show a lack of motivation from the compliance officers. Ethics and compliance work is not continuous work and as Kaptein's (2017) struggle theory suggests, ethics are a constant struggle and organizations act as a battlefield.

Overall, these results suggest that two-thirds of the respondents have a variety of things they would like to implement but have not been able to. This shows that these organizations might not be ready to struggle. But struggle theory (Kaptein 2017) does recognize that the nature of organizations and human beings is incomplete, and the struggles can sometimes backfire. As Kaptein (2017) argues: "If being ethical were easy and simple, the management of ethics and the function of ethics officer would not be necessary. An ethics officer exists because of the need to struggle for attention, time, and budget", which can be seen as encouraging words to ethics and compliance officers.

6 CONCLUSIONS

This research looked at views on ethics and compliance work in the Nordics from compliance officers' perspectives. The research topic was approached by four questions that emphasized different aspects of the work. The first aspect focused on how compliance officers measure the effectiveness of ethics and compliance work. The results showed that compliance officers in the Nordics are rather aware of measurement techniques and that they use a variety of different measures. On the other hand, one-third of the respondents did not measure effectiveness at all. This suggests that there is a lack of knowledge about the importance of measuring the effectiveness of ethics and compliance work. The discussion around measuring and the effectiveness of ethics and compliance work needs to be brought up for discourse and more research on this needs to be done.

The second question focused on the impact of ethics and compliance work on the organizational culture. The respondents were asked to evaluate the impact on culture now and in the future. The results showed that compliance officers think that ethics and compliance work has only a slightly positive impact on the organizational culture. In addition, they saw that the work has a much greater impact in the future than now. So, compliance officers recognize that the culture does not change instantaneously but that it takes time to see any results of ethics and compliance work. This aspect would be interesting to study for a longer period of time as well as to seek a deeper understanding of why compliance officers see the impact being greater on the future culture and whether it will happen in the future.

The third question centered around what respondents think the best way is to reduce unethical conduct. The respondents thought that the most effective way to reduce unethical conduct was by achieving efficient and responsible management. Managers have an important role in guiding people as they should work as role models for employees. Managers' characteristics can affect the quality of ethical leadership and they should always keep in mind that their leadership affects the whole organization. Training and communications were the second most popular answers. They should be constant and executed by different means. Sanctions were not a popular answer which suggests that preventive work is seen as more important. This is a novel contribution to the literature, and it is important information for organizations who are only starting their ethics and compliance work or are thinking about developing it. It is always better to prevent misconduct than try to clean up the consequences.

The last question focused on activities that respondents would like to implement but have not been able to due to limited budget or management support. Two-thirds of the answers were different activities that respondents would like to implement. This is a quite large number which then indicates that in many organizations, ethics and compliance work is not on top of a priority list. Ethics and compliance work need a variety of activities for it to be effective. This lack of resources or support for many is new information and it is worrying and can therefore be one reason why business scandals happen so often. It does not matter how professional an ethics officer the organization has is if they cannot do their work the best way possible. On the other hand, one-third of the respondents said that there were not any activities that they have not been able to implement so at least some of the organizations give enough resources and support.

Kaptein's (2017) struggle theory helped to analyze the results and gave new perspectives to consider. Struggle theory is quite new, and many organizations might not know about it. But struggle theory could have many benefits to any organization. Not only when an organization is already having some sort of ethics crisis, but even beforehand. Struggle theory cuts through so many aspects of ethics and compliance that if an organization would familiarize themselves with it, they would better recognize their weaknesses and properly implement new changes. This would then make them more ready and prepared if any ethics crisis would arise. One option for future studies would be to focus more on struggle theory in just one organization and study the long-term effects of the implementation of this model.

In conclusion, this study provided new information about ethics and compliance work. Compliance officers in the Nordic countries measure ethics and compliance work effectiveness in a variety of ways and they see that the work has a positive impact on organizational culture. There are organizations that do not measure effectiveness of ethics and compliance work and there are multiple activities that compliance officers have not been able to implement. So, this study found some gaps that organizations should fill in order to prevent misconducts that can become huge scandals and overthrow entire company.

Compliance officers cannot do ethics and compliance work by themselves. They need support especially from management but also from other sections like communications. They also need enough resources such as time and money to do their work. In practice, ethics and compliance work is constant preventive work that needs constant attention. If it is done properly, it prepares the

organization for different kinds of risks that may arise, and it can prevent business scandals that might end up overthrowing the entire company. Organizations should consider ethics and compliance work as a top priority for their risk management strategy for them to succeed in the future as well.

This study's findings also have implications for the broader themes of risk management and management control. Organizations should already realize that risks that they may face are not necessarily financial. Financial failures can be seen in financial statements and sometimes they can be easily fixed. But ethical misconducts are not so easily found, they can have a bigger consequence and they may not be so easily fixed. Recovering from ethical misconduct always needs a struggle. And the better the struggle the better the recovery (Kaptein 2017). And it makes more sense to prevent the whole misconduct, which is why ethics and compliance work should have a key role in organizations risk management.

Management control is changing and influencing people's behavior and this studies results show a new contribution to management control. Ethics and compliance work are complex, and the results are not seen quickly. Time and different solutions are needed to change people's behaviour. The results showed that compliance officers think that the best ways to reduce misconduct are done by management, training and communication. They also see that the work has a positive impact on the organization's culture and more implications for the future than for the present. This indicates that support from other departments and time are required to successfully reduce misconducts and change people's behavior.

This study was a brief look into effectiveness of ethics and compliance work in Nordic context. The results show important information which can be useful for those who work with ethics and compliance or want to understand more of ethics and compliance work. The results are also useful for managers and a kind of reminder for them of their huge role in business ethics. In Nordic context where trust is high, however, organizations need to remember that ethical misconduct can happen to them and there is not a single organization who is ready in their ethics and compliance work. This study fills the research gap about ethics and compliance officers that have not been studied so extensively. They are professional around this topic, and they have a lot of knowledge around this topic and therefore should not be forgotten in the business ethics research. Also, the definition "ethics and compliance work" to describe the implementation of ECPs and associated guidelines is a novel contribution to the business ethics literature.

For future research the same questionnaire could be used but with a bigger sample. Results from a bigger sample would allow a better generalization than the 122 respondents from this study. Furthermore, this research did not answer the question about how a compliance officers' personal characteristics can affect the effectiveness of ethics and compliance work. This is also one possible perspective for future research and Kaptein's (2017) struggle theory might be useful for that. Future research could also use more deeply Kaptein's struggle theory (2017), for example in interviews. Also, longitudinal studies could get better understanding of one particular organizations development and for example study on how ethics and compliance work affect the culture over time.

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7.2 Attachments

Attachment 1: Questionnaire

Welcome to the Nordic Ethics & Compliance Survey 2021!

This survey aims for looking at HOW Nordic organisations are working with Ethics & Compliance. The survey is aimed for those responsible for Ethics & Compliance in their organisation.

You can answer the survey in less than 15 minutes.

The survey is anonymous, however you can choose to leave your contact details in order to receive the survey report. The survey results will be published in autumn 2021.

Thank you for your time and for providing us with valuable benchmark data. Together we will work towards more ethical organisations!

Niina & Anna

Nordic Business Ethics Initiative

We will publish the survey results in Q3 2021.

1. Background information

This section asks for demographic, industry and company characteristics.

1. Your gender
 1. Female
 2. Male
 3. I prefer not to answer

2. Your Age
 1. 20-29
 2. 30-39
 3. 40-49
 4. 50-59
 5. 60+

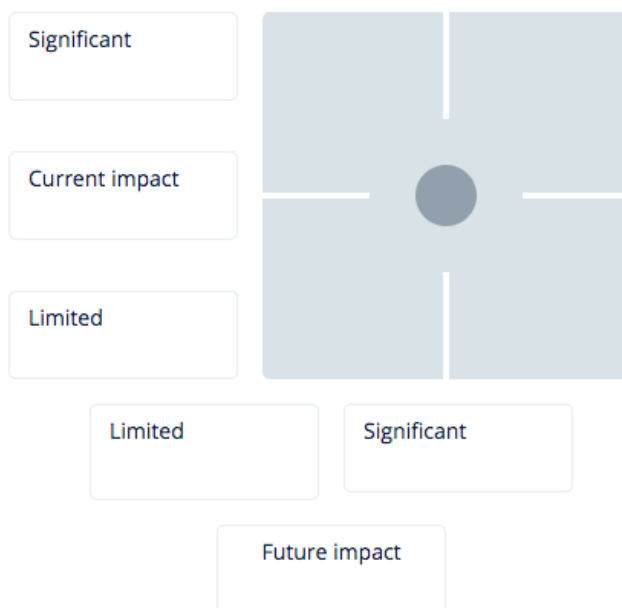
3. In which country is the headquarter of your organization?
 1. Denmark
 2. Finland
 3. Iceland
 4. Norway

- 5. Sweden
- 6. Other, please specify

- 4. How long have you been working with ethics & compliance (in general)?
 - 1. 0-2 years
 - 2. 3-5 years
 - 3. 6-9 years
 - 4. 10+ years

2. Ethics & Compliance Effectiveness

- 5. How has the Ethics & Compliance work impacted the organizational culture, and how do you perceive the impact to be in the future?



- 6. How do you measure the effectiveness of Ethics & Compliance work?
 - 1. Compliance audits by internal audit
 - 2. Compliance audits by external audit (e.g., ISO 19600 or other audits)
 - 3. Data analytics
 - 4. Ethics surveys
 - 5. Management interviews and focus groups
 - 6. Mandatory test after training
 - 7. We do not specifically measure effectiveness
 - 8. Other, please specify

Open questions

- 7. What do you think has been the most effective way to reduce unethical conduct within your organization?
- 8. Are there any activities that you have not been able to implement due to limited budget or management support?