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A construct of the “ethos of codes of ethics” (ECE): the case of private and public Sweden

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Abstract

Purpose – The objective of this paper is to develop and describe a construct of the “ethos of the codes of ethics” (i.e. an ECE construct) in the private and public sectors of Sweden.

Design/methodology/approach – The paper takes a cross-sector approach to codes of ethics amongst the top private sector companies and the top public sector organisations. The paper then examines the measures put in place by the dual sample in order to describe the ethos of their codes of ethics.

Findings – The multivariate techniques used in the statistical analysis indicated that the ECE-construct consists of five dimensions: ethical bodies, ethical tools, ethical support procedures, internal ethics usage, and external ethics usage.

Research limitations/implications – It should be noted that the ECE construct has been derived from large companies and organisations in private and public Sweden, which may indicate less applicability to smaller operations. Another limitation may be the validity and reliability across other cultural samples. The dual sample contains a variety of different types of operations, but it may not be transferable to other countries.

Practical implications – The outcome is based on data from private companies and public organisations that indicated they had corporate codes of ethics. Therefore, a suggestion for further research is to examine the ECE construct in other countries/cultures that differ from the ones in this research effort performed in the private and public sectors of Sweden.

Originality/value – The ECE construct introduced makes a contribution to theory and practice in the field as it is based upon a dual sample. It makes a contribution to theory as it outlines a construct for the benefit of other researchers working in both the private and the public sectors. The authors also believe that it may be of managerial interest as it provides a grounded framework of areas to be considered in the implementation of the codes of ethics in both private companies and public organisations.

Article Type:

Research paper
Keyword(s):
Ethics; Business ethics; Private sector organizations; Public sector organizations; Sweden.

Introduction

In the twentieth century, industrialised economies around the world enacted legislation to protect free trade, securities dealings, consumers, suppliers, stockholders and more recently other stakeholders. These legislative initiatives were often precipitated by behaviour that initially appeared unethical, but in time was made illegal (Ferrell et al., 1998; Carasco and Singh, 2003). Subsequently, as the powers of these large corporations grew they were confronted by greater expectations from society to behave in an ethical manner (Cleek and Leonard, 1998; Cohan, 2002; Sørensen, 2002). Errant companies were lambasted in the media (Collier, 2000; Wheeler et al., 2002), charged for corporate crimes, and litigation was brought against them by citizens who had fallen victim to their malfeasance.

The need for standards that transcended differences in laws and cultures was also the driving force behind various attempts by international organisations to regulate the conduct of global companies (Carasco and Singh, 2003). For example, the OECD proposed the Guidelines for Multinational Enterprises and the United Nations constructed its Global Compact document (Carasco and Singh, 2003). In North America, such pieces of legislation as the US Sentencing Guidelines for Organisations in 1991 and the Sarbanes Oxley Act in 2002 were enacted to complement an already exhaustive raft of legal measures to guide business in their dealings.

The spread of globalisation meant that many companies expanded rapidly into new markets and into uncharted waters for their organisation. Their employees began to interact cross-culturally and they were confronted by a milieu of different standards for the conduct of business. Some of these standards created ethical dilemmas for the staff involved. Whilst the 1977 US Foreign Corrupt Practices Act banned bribery to foreign officials, new terms were “invented”, such as “facilitation payments”, in order to enhance one's chance of business success in some of these newer foreign markets. People were still sceptical that these new terms were just the “Emperor's new clothes”, and as stakeholder groups they began to put pressure upon companies to state their intentions in a formal way, such as is evidenced by a code of ethics. Many of these companies turned to codes of ethics as a means of showcasing to society that they had an interest and a desire in being ethical in the marketplaces in which they conducted business.

In a model that goes beyond philosophically based ethics, Stajkovic and Luthans (1997) use social-cognitive theory as a means to identify factors that influence business ethics standards and conduct. They propose that a person's perception of ethical standards and subsequent conduct is influenced by institutional factors (e.g. ethics legislation), personal factors (e.g. moral development), and organisational factors (e.g. code of ethics). Within the cultural context, the key antecedent factors interact together to influence the ethical standards of people and organizations (Stajkovic and Luthans, 1997). Corporate codes of ethics are an important organisational factor and are the emphasis of the research reported in this paper.

Berenbeim (2000) cites three trends as evidence of the growing importance of corporate codes of ethics:
1. the globalisation of markets and the need for core principles that are universally applicable;
2. the acceptance of these codes as part of corporate governance as illustrated by increased participation of boards in their development; and
3. the improved ethical literacy of senior managers as illustrated by the increasing sophistication of the codes.

While globalisation has led to increased competition that may lead to unethical corporate conduct, there is also the possibility that globalisation has facilitated the spread of corporate ethics programs. Hence, a corporate code of ethics is viewed as an important adjunct in developing ethical standards in organisations in areas such as ethical bodies, ethical tools, ethical support procedures, internal and external ethical usage. These areas are described further in the frame of reference. Our outlined framework is in part based upon Svensson et al.'s (2004) comparison of Swedish private and public sectors and Wood's (2002) partnership model of corporate ethics.

The objective of this research effort is to develop and describe a construct of the ethos of the codes of ethics (i.e. an ECE construct) in the private and public sectors of Sweden. Accordingly, it takes a cross-sector approach to codes of ethics amongst the top private sector companies and the top public sector organisations. The paper then examines the measures put in place by the dual sample in order to describe the ethos of their codes of ethics.

**Frame of reference**

This section provides a frame of reference to underpin the ECE construct. It is divided into a selection of principal areas:

- ethical bodies;
- ethical tools;
- ethical support procedures;
- internal ethical usage; and
- external ethical usage.

A number of sub-areas are also described under each heading.

**Ethical bodies**

Ethical bodies is one aspect in embracing the ethos of corporate codes of ethics. It consists of a number of sub-areas. An important sub-area in the ethos of corporate code of ethics is the conduct of ethical audits (Crotts *et al.*, 2005; Lacznia and Murphy, 1991; Murphy, 1988). Garcia-Marza (2005) views the ethics audit as an integral part of the process of developing trust, with the other factors in developing trust being the existence of ethics codes and ethics committees in the organisation. “Within this integrated system of ethics management in the company, ethics auditing can respond to the basic objective of ethics management, which is simply to integrate economic benefit with social and environmental benefit” (Garcia-Marza, 2005, p. 211). Ethics audits differ from employee appraisal. Employee appraisal is an examination of the ethical performance of individuals within the organisation on a personal level, whilst ethical audits are an examination of the organisation's ethical performance.
Another sub-area of interest is the establishment of an ethics training committee and staff training in ethics. The two areas of ethics training committee and staff training in ethics were linked from a theoretical perspective because of the researchers’ belief that one cannot just expect individuals to be ethical to the level of company expectations without having some training. A number of writers have advocated the use of training programs as a means of institutionalising ethics within the organisation (Axline, 1990; Dean, 1992; Harrington, 1991; Laczniak and Murphy, 1991; Maclagan, 1992; McDonald and Zepp, 1989; Rampersad, 2003; Schwartz, 2002; Sims, 1992; Trevino and Brown, 2004; Wood, 2002).

An ethics training committee would hopefully provide the focus and initiative to expose employees to discussion and training in ethics in business situations that they might face whilst in the company's employ. In fact, it works as a surveillance function. Without training and education, one may argue that the desire to incorporate an ethical perspective into the business practices of employees will only be a hope that cannot be translated into reality.

Furthermore, if business ethics is such an important part of the company then an ethics committee may have been an idea that organisations have contemplated and an area in which they may have initiated action (Center for Business Ethics, 1986; McDonald and Zepp, 1989; Rampersad, 2003; Weber, 1981). Companies need individuals who are designated to be in charge of their corporate codes of ethics — such as an ethics ombudsman — in order that individuals within the organization who have genuine concerns can feel free to voice these concerns to an independent arbiter (Anand et al., 2005; Wood et al., 2004). According to the Ethics and Compliance Officer Association (ECOA), which was founded in 1992 by a dozen ethics officers, the organisation now has over 1,000 members representing nearly every industry. These companies conduct business in over 160 countries and the member companies include more than half of the Fortune 1000 (Ethics and Compliance Officer Association, 2007). If an organisation has a person designated as a confidante to whom staff can go with ethical concerns, then hopefully employees will be encouraged to volunteer information about unethical practices that they perceive are detrimental to the organisation. One could contend that such a position in place within the organisation can only but enhance the ethical health of that organisation.

**Ethical tools**

Ethical tools may be seen as a complement to ethical bodies, which consists of a number of sub-areas, may be seen as a complement to ethical bodies. A crucial feature in the intent to grasp the ethos of corporate codes of ethics is to use the code as a guide to strategic planning. Twenty years ago, Robin and Reidenbach (1987) suggested a method for closing the gap that they perceived existed between concept and practice in the area of ethics and marketing planning. They advocated that an organisation that is committed to ethics should inculcate those espoused company values into the strategic planning process. The focus of their attention was upon strategic marketing planning, but the principles that they proposed can be adapted to all forms of strategic planning in organisations.

If companies accept that it is good corporate practice to align their codes with their strategic planning processes, then they should not only use the ethos of the code as a guide in their strategic planning process, but they must make that final comparison of the strategic plan against the code. What if the final plans and the codes are incompatible? How then does one guard against this situation and ensure that the plan not matching the espoused ethical stance of the organisation does not occur? Surely as a part of good governance, all companies should
make an obligatory check to be sure of consistency in these areas. Congruence between the strategic plan, which drives the organisation's actions, and the espoused ethical views of the company should also make it easier for employees to act in the marketplace. The organization's ethical views should not clash with the strategic view of the company (Wood and Callaghan, 2003). Another sub-area is ethical performance appraisal. The view that organisations should formalise the ethical performance of employees through the employee appraisal system is supported by Fraedrich (1992), Harrington (1991), Lacznak and Murphy (1991), and Trevino and Brown (2004). Harrington (1991), in common with Fraedrich's (1992) idea, suggests that ethical decision making should become a part of the performance appraisal of individuals. This idea is a commendable one in that it integrates ethics into one's perceived organisational performance: it is another way of rewarding ethical behaviour and discouraging unethical behaviour. The concern in this situation is with the way in which this process would be implemented and its probable vagaries and abuses. Like all performance appraisals that are not necessarily based upon quantifiable data, the subjective opinion of the line manager could be imposed upon the individual subordinate. Consequently, the organisation places a lot of trust and faith in line supervisors; therefore, this process would need to be scrutinised in great detail before its introduction and would need to be monitored once it has been introduced. However, the general principle is one that should be considered. Furthermore, the ethos of corporate codes of ethics may provide a basis to resolve ethical problems that arise in the marketplace. Wood et al. (2004) found that approximately half of the companies surveyed in their study claimed not to use their code to resolve ethical problems in the marketplace. If codes are not resolving ethical problems in the marketplace, then what are the codes used for in organisations? Are codes of ethics, then, the inward regulatory documents as suggested by Mathews (1987), LeFebvre and Singh (1992) and Wood (2000), or are companies just missing an opportunity to maximise their utilisation? Why does a company have a code if it does not assist one in resolving ethical problems in the marketplace? Wood et al. (2004) examined in what areas of daily business practices companies used their corporate code of ethics to assist them in the marketplace. The most common areas in which these companies had utilised the code in the marketplace were in respect to customers, suppliers and the environment. They also found that a large proportion of the companies indicated that they were convinced that their corporate codes of ethics had an impact on the bottom line.

**Ethical support procedures**

A number of authors (Fraedrich, 1992; Schwartz, 2002; Sims, 1991; Stoner, 1989; Trevino and Brown, 2004) suggest that within a corporate code of ethics one should outline enforcement provisions for those individuals who may not uphold the code. By having procedures to address a breach of the code, an organisation signals to its employees the necessity to abide by the code for the sake of both themselves and the organisation.

In addition, in a situation of recognising unethical practices and taking steps to expose them, the dilemma that many employees face is in knowing to whom one can take an issue so as to ensure its integrity, the integrity of the person against whom the complaint is made, and usually most importantly, for the person making the complaint, the guarantee of their own freedom from reprisals (Gellerman, 1989; Labich, 1992; Stoner, 1989; Wood and Callaghan, 2003). By its very nature, whistle-blowing is a dangerous path to take for any employee.
Even though companies may have procedures in place to protect the whistle-blower, the act of whistle-blowing has historically been fraught with personal danger and the ever-present threat of recrimination (Keenan, 1995; Keenan and Krueger, 1992; McLain and Keenan, 1999; Miceli and Near, 1984; Miceli et al., 1991).

If organisations are to evolve into ethical entities, both individual and collective action must be taken by individuals to change practices that they view as being contrary to the ethical health of the organisation. Someone must make the move to expose violations of the organisation's ethical principles. Formal guidelines to support whistle-blowers should be considered, because if standards are to be set then one needs ways to ensure that either violations or breaches will be reported, reviewed and corrected.

Internal and external ethical usage

Internal and external ethical usage is pinpointed in Wood's (2002) partnership model of corporate codes of ethics. Svensson et al. (2006) explore the ethos of corporate codes of ethics within organisations in large companies, examining how it is communicated. Singh et al. (2005) examine corporate codes of ethics in Australia, Canada and Sweden and it is apparent that these codes may be used to communicate the ethos to employees of an organisation. Stevens (1999), in a study of employees at two American hotels, identified training programs, coaching employees, reading manuals and ethics codes as the top four sources from which employees learned about ethics. She also found that employees learned about ethics codes mainly from orientation programs and reading employee handbooks.

A number of writers (Benson, 1989; Fraedrich, 1992; Murphy, 1988; Stead et al., 1990; Townley, 1992; Wood, 2002) have suggested that codes should be public documents that have an external as well as an internal focus and that organisations should be cognisant of the relationship of the organization with all stakeholders. An organisation's customers and suppliers should be informed of the existence of the company's code. Wood et al. (2004) concluded that corporate codes of ethics are communicated to customers and suppliers either formally or informally, or in some cases both.

Methodology

The methodology of this research is based upon two sectors, namely the private and the public sectors of Sweden. Some methodological adaptations were required, all of which are described in this section.

A three-stage research procedure was used and conducted in order to examine the ethos of codes of ethics in private companies and public organisations of Sweden. In Stage 1, an adapted questionnaire was developed for each sector. The private sector companies and public sector organisations were asked to answer up to 30 questions about the methods used by their organisations to inculcate an ethical ethos into the daily operations of the organisation, its leadership and its employees. The aim of the questionnaires was also to obtain from the participants a copy of their code of ethics, if they had one. The second stage involved content analysis of the codes of ethics supplied by the survey participants. The third stage involved a more detailed follow-up of a smaller group of private companies and public organisations that appeared to be close to or to represent best practice in respect to codes of ethics in Sweden. The outcome of Stage 1 of this three-stage research procedure is reported in this article.
Private sector

The questionnaires were sent to the top 500 companies (based on revenue) operating in the private sector (Statistika Centralbyrå, 2005); for several reasons, such as size of turnover, employee numbers and business profile, these companies are more probable to have developed a formal code of ethics (Brytting, 1997). The private sector sample was corrected to 443 companies due to multiple addresses and undeliverable packages in the procured company list (Statistika Centralbyrå, 2005). The response rate was 42 per cent after this correction, with 185 companies returning the completed questionnaire and 110 companies acknowledging that they had a code of ethics. This research is limited to those private sector companies that possessed a code.

The package sent to each of the private sector companies contained a covering letter and a questionnaire. The package was sent to the Public Relations Manager in each company rather than the top leadership. This was done in the hope that these professionals were knowledgeable and committed to the communication of their companies' ethos of corporate codes of ethics, perhaps more so than other organisational functionaries. Each respondent was assured of complete anonymity as the results were to be aggregated.

Public sector

The public sector in Sweden is divided into three categories of public sector organisations:

1. entities of government;
2. county councils; and
3. municipalities.

First, a questionnaire was sent to the largest 40 entities of government out of 277, the largest 40 municipalities out of 289, and 20 county councils out of 20. Consequently, the sample consists of 100 public sector organisations. The selection of these units was based on their size in terms of revenue in the public sector (Statistika Centralbyrå, 2005).

The package sent to each of the public sector organisations also contained a covering letter and a questionnaire. The package was sent to the Principal Human Resource Manager in each public sector organisation rather than the top leadership. This was done in the hope that these professionals would be more focused on staff concerns and that they may have been more knowledgeable and committed to the task at hand than other organisational functionaries (Wood, 2000). Each respondent was also assured of complete anonymity as the results were to be aggregated.

Each respondent at each public sector organisation was initially contacted by phone (due to a smaller sample than in the private sector) in order to confirm their appropriateness to respond to the questionnaire, and at the same time to promote the importance of the survey. Each respondent was also briefly introduced to the research project to stimulate his or her interest and willingness to participate in the survey. Those human resource managers who initially did not answer the questionnaire were contacted again by telephone in order to stimulate their interest to fill in the required answers. The close attention to this part of the research led to the achievement of a high response rate. The response rate in Stage 1 was 96 per cent, with 96 out of 100 public sector organisations returning a completed questionnaire. This research is limited to those 27 public sector organisations that had a code of ethics.
Empirical findings

A selection of univariate and multivariate statistical techniques (e.g. Norusis, 1993, 1994) was used to describe the dual-sector sample of data collected and to analyse it in terms of the ethos of codes of ethics. The outcomes of the statistical techniques are summarised in Tables I-VI.

The dual sample is dominated by large companies/organisations according to the selection procedures applied (see Table I). More than 93.5 per cent of the Swedish private and public samples have an annual turnover of more than 2,500 million SEK. This provides support for the focus on the ECE construct of large organisations in Sweden.

The largest interval in the dual sample regarding full-time equivalent staff is the interval of 1,001-5,000 employees (see Table II). For example, 42 per cent of the sample belongs to this interval. The second largest interval is 501-1,000 employees (i.e. 21 per cent). Approximately 90 per cent of the sample has more than 500 employees.

Table III indicates that half of the organisations in the dual sample have indicated that they possess of a code of ethics (48.4 per cent). It should be noted that the research reported in this paper is based upon the organisations that have a code (i.e. n=137) and accordingly are able to provide insights and share their views on their ethos of codes of ethics.

Univariate analyses – questionnaire items

The univariate outcome for each item is shown in Table IV. A variety of items, based on the areas described in the frame of reference, have been applied in order to test the stability and randomness of the collected answers. Ratio scales measurements were used (i.e. seven-interval Likert-type scales; Likert, 1932). The anchor points of the scales used are “strongly disagree” (1) and “strongly agree” (7). The following abbreviations are used to illustrate the outcome of each variable in the tables referred to:

- internal ethical usage (1 and 2);
- ethical support procedures (3 and 5);
- ethical tools (4, 6, 9, 11 and 14);
- ethical bodies (7, 8 and 10); and
- external ethical usage (12, 13 and 15).

Characteristics of multivariate analyses

The data collected were also analysed statistically using factor analysis (e.g. Norusis, 1994). The orthogonal approach of Varimax was used to rotate the factor solution. Factors that have eigenvalues very close to one (i.e. ≥0.9) were considered significant. These factors have been selected and are included in the final factor solutions. The factor solution accounted approximately for 68.7 per cent of the total variance. The communalities for each of the variables were within the range 0.47-0.86. The measure of sampling adequacy (MSA) for
each of the variables was within the range 0.63-0.92. Factor loadings above 0.5 were interpreted as significant according to our sample size of 137 responses (Hair et al., 2006).

The outcome of the factor analysis of the items in the questionnaire turned out to be satisfactory (KMO, 0.806 (overall MSA); Bartlett's test, approximate $\chi^2=769.600; df 105; significance 0.000$). Five factors were identified (see Table V).

Factor 1 consists of variables 7, 8 and 10, which represent: the presence of standing ethics committee, ethics training committee and ethics ombudsman. It is labelled “ethical bodies”. Factor 2 consists of variables 4, 6, 9, 11 and 14, which represent: “Code should guide strategic planning”, “Code assists bottom line”, “should be criterion for employee appraisal”, “ethics training for all staff” and “should conduct ethical evaluation”. It is labelled “ethical tools”. Factor 3 consists of variables 12, 13 and 15, which represent “suppliers and customers should be informed” and “Code assists with ethical dilemmas”. It is labelled “external ethics usage”. Factor 4 consists of variables 1 and 2, which represent “Code should be communicated to all employees” and “organisation should inform new employees about the Code”. This factor is labelled “internal ethics usage”. Factor 5 consists of the variables 3 and 5, which represent “consequences for violation of the Code” and “support to whistle-blowers”. It is labelled “ethical support procedures”. Consequently, the five identified factors are in accordance with the pre-specified dimensions of the ECE construct in the Swedish cultural context outlined in the frame of reference and the items used in the questionnaire.

**Reliability of the ECE construct**

The reliability coefficient Cronbach’s $\alpha$ (Cronbach, 1951) was used to estimate the reliability of the ECE construct. Cronbach’s $\alpha$ is widely used in different research fields (Peterson, 1994). An acceptable score of the reliability coefficient of Cronbach’s $\alpha$ is 0.5-0.6 for new scales (e.g. Davis, 1964; Nunnally, 1967; Malhotra, 1996). The reliability score is interpreted by others to be acceptable if it reaches a value of 0.7 (e.g. Kaplan and Saccuzzo, 1982; Murphy and Davidshofer, 1988; Nunnally, 1978; Nunnally and Bernstein, 1994).

Generally, the reliability coefficients of the dimensions of the ECE construct are satisfactory taking into consideration the higher level of reliability score, i.e. 0.7 (see Table VI). This leads to the conclusion that the multi-item measures are acceptable. However, the factors of internal ethics usage and ethical support procedures contain only two items, where Cronbach's $\alpha$ normally is based upon three or more items. Therefore, the Cronbach's $\alpha$ coefficients are estimated with a superscript for these two factors to highlight this restriction. It should be noted that the factor loadings for each of these two factors are high, which transmits another estimate of a certain degree of reliability (see Table V).

**Implications**

The previous sections of this paper have reported a research effort to develop and describe a cross-sector construct based upon a dual sample in the private and public sectors of Sweden that reflects the ethos of codes of ethics (see Figure 1). It has been introduced and labelled as an ECE construct. We believe that it makes a contribution to theory and practice in the field as it is based on a dual sample. It makes a contribution to theory as it outlines a construct for the benefit of other researchers working in both the private and the public sectors. It provides a point of reference. We also believe that it may be of managerial interest as it provides a
grounded framework of areas to be considered in the implementation of the codes of ethics in both private companies and public organisations.

The private sectors and the public sectors in developed countries have traditionally been different, yet over the last few years, with the deregulation of marketplaces, the public sector in particular has tended to adopt many of the attributes of the private sector in terms of its orientation towards conducting its business. One such area that has attracted increased interest from both sectors is the area of ethics.

A deregulated marketplace has been a major change for Sweden as the deregulation paradigm is one anchored in Anglo-Saxon tradition rather than in Nordic tradition. This new deregulated marketplace has posed new challenges for public sector entities and forced them to confront changing conditions that impact on the way that they need to manage their operations. This realisation may have led them to adopt practices that they have witnessed in the Swedish private sector.

An important implication for private sector companies when trying to benchmark the best practice of ECE could be to examine the approaches of the public sector entities. The public sector has been different and the approach taken recently by public sector entities regarding ECE may provide innovative and valuable insights into how to enhance the efforts of private sector companies. Likewise, public sector entities may gain valuable knowledge by examining best practices in the private sector. As each sector has become more convergent rather than divergent in their ECE then each may be able to learn valuable lessons from the other to enhance their respective ECEs in their sector.

Conclusions and limitations

The multivariate techniques used in the statistical analysis indicated that the ECE construct consists of five dimensions (see further details in Tables V and VI):

1. ethical bodies;
2. ethical tools;
3. ethical support procedures;
4. internal ethics usage; and
5. external ethics usage.

We believe that it may be seen as a cross-sector construct. In fact, it is based upon a dual sample of research data in both the private and the public sectors (see Figure 1). Tables I and II show that the dual sample is based upon large companies/organizations. The reported ECE construct is unique as it is based on a cross-sector sample seldom seen in the literature. While the outcome of statistical analyses indicated a satisfactory factor solution and acceptable estimates of reliability measures, there are some research limitations that should be stressed. They provide a foundation for further research in the field and testing of the ECE construct in other cultural and dual settings.

It should be noted that the ECE construct has been derived from large companies and organisations in the private and public sectors in Sweden, which may indicate less applicability to smaller operations (see Tables I and II). Another limitation may be the validity and reliability across other cultural samples. The dual sample contains a variety of different types of operations, but it may not be transferable to other countries. Furthermore,
the outcome is based upon data from private companies and public organisations that indicated they had corporate codes of ethics (see Table III). Therefore, a suggestion for further research is to examine the ECE construct in other countries/cultures that differ from the ones in this research effort, performed in the private and public sectors of Sweden. This would require a society with a public sector that is comparable to the one examined.

![Cross-sector ECE construct of Sweden](image)

**Figure 1** Cross-sector ECE construct of Sweden

<table>
<thead>
<tr>
<th>Annual turnover (millions of SEK)</th>
<th>Private/public</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 500</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>&gt; 500</td>
<td>7</td>
<td>2.5</td>
</tr>
<tr>
<td>&gt; 1,500</td>
<td>10</td>
<td>3.6</td>
</tr>
<tr>
<td>&gt; 2,500</td>
<td>49</td>
<td>17.4</td>
</tr>
<tr>
<td>&gt; 5,000</td>
<td>56</td>
<td>19.9</td>
</tr>
<tr>
<td>&gt; 10,000</td>
<td>74</td>
<td>26.3</td>
</tr>
<tr>
<td>&gt; 25,000</td>
<td>84</td>
<td>29.9</td>
</tr>
<tr>
<td>Total</td>
<td>281</td>
<td>100</td>
</tr>
</tbody>
</table>

**Table I** Annual turnover

Note: "Seven Swedish kroner (SEK) equals approximately $US1"

<table>
<thead>
<tr>
<th>Number of full time equivalent staff</th>
<th>Private/public</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 100</td>
<td>2</td>
<td>0.7</td>
</tr>
<tr>
<td>101-500</td>
<td>28</td>
<td>10.0</td>
</tr>
<tr>
<td>501-1,000</td>
<td>59</td>
<td>21.0</td>
</tr>
<tr>
<td>1,001-5,000</td>
<td>118</td>
<td>42.0</td>
</tr>
<tr>
<td>5,001-10,000</td>
<td>35</td>
<td>12.5</td>
</tr>
<tr>
<td>10,001-20,000</td>
<td>19</td>
<td>6.8</td>
</tr>
<tr>
<td>&gt; 20,000</td>
<td>20</td>
<td>7.1</td>
</tr>
<tr>
<td>Total</td>
<td>281</td>
<td>100</td>
</tr>
</tbody>
</table>

**Table II** Number of full time equivalent staff
Table III: Corporate code of ethics

<table>
<thead>
<tr>
<th>Item</th>
<th>n</th>
<th>Mn</th>
<th>Me</th>
<th>Md</th>
<th>SD</th>
<th>Sk</th>
<th>Ku</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Our company/organisation believes that the Code should be</td>
<td>137</td>
<td>6.6</td>
<td>7</td>
<td>7</td>
<td>0.8</td>
<td>-2.6</td>
<td>7.0</td>
</tr>
<tr>
<td>communicated to all of our organisation's workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Our company/organisation believes that we should inform new</td>
<td>137</td>
<td>6.7</td>
<td>7</td>
<td>7</td>
<td>0.7</td>
<td>-3.2</td>
<td>10.4</td>
</tr>
<tr>
<td>staff of the Code</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Our company/organisation believes that there should be</td>
<td>137</td>
<td>5.6</td>
<td>6</td>
<td>7</td>
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<td>4. Our company/organisation believes that employees' ethical</td>
<td>137</td>
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<td>-0.4</td>
<td>-0.4</td>
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<td>5. Our company/organisation believes that we should have formal</td>
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<td>4.8</td>
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<td>-0.7</td>
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<td>guidelines for the support of whistleblowers (i.e. someone who</td>
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<td>blows the whistle on his/her organisation for its wrongdoing)</td>
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<td>6. Our company/organisation believes that the Code should</td>
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<td>6</td>
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<td>-0.8</td>
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<td>guide our strategic planning</td>
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<td>7. Our company/organisation believes that we should have a</td>
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<td>standing ethics committee or its equivalent</td>
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<tr>
<td>8. Our company/organisation believes that we should have an ethics</td>
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<td>4</td>
<td>1.7</td>
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<td>9. Our company/organisation believes that ethics training</td>
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<td>7</td>
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<td>-0.1</td>
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<td>10. Our company/organisation believes that we should have an</td>
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<td>3.8</td>
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<td>2.0</td>
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<td>-1.1</td>
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<td>ethics ombudsman or its equivalent</td>
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<tr>
<td>11. Our company/organisation believes that we should conduct an</td>
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<td>6</td>
<td>1.6</td>
<td>-0.5</td>
<td>-0.6</td>
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<td>ethical evaluation of all our operations</td>
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<td>12. Our company/organisation believes that all our customers</td>
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<td>13. Our company/organisation believes that all our suppliers</td>
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<td>-0.1</td>
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<td>14. Our company/organisation believes that the Code will</td>
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<td>1.5</td>
<td>-0.6</td>
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<td>assist the bottom line (i.e. profit/goal)</td>
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<td>15. Our company/organisation believes that the Code should</td>
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<td>5.5</td>
<td>6</td>
<td>7</td>
<td>1.5</td>
<td>-0.9</td>
<td>0.4</td>
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<td>be used to assist us with resolving ethical dilemmas in the</td>
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<tr>
<td>marketplace/society</td>
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</tbody>
</table>

Notes: n, number of observations; Mn, mean; Me, median; Md, mode; SD, standard deviation; Sk, skewness; Ku, kurtosis

Table IV: Univariate outcome –private and public questionnaire items
Table V
Outcome of factor analysis

<table>
<thead>
<tr>
<th>Item</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Communitly per variable</th>
<th>MSA* per variable</th>
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</thead>
<tbody>
<tr>
<td>7 Having a standing ethics committee</td>
<td>0.673</td>
<td>0.170</td>
<td>0.034</td>
<td>0.062</td>
<td>0.149</td>
<td>0.818</td>
<td>0.777</td>
</tr>
<tr>
<td>8 Having an ethics training committee</td>
<td>0.834</td>
<td>0.217</td>
<td>0.147</td>
<td>−0.056</td>
<td>0.081</td>
<td>0.774</td>
<td>0.750</td>
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<tr>
<td>10 Have an ethics ombudsman</td>
<td>0.877</td>
<td>0.118</td>
<td>0.134</td>
<td>0.111</td>
<td>0.203</td>
<td>0.632</td>
<td>0.880</td>
</tr>
<tr>
<td>4 Criterion for employee appraisal</td>
<td>−0.067</td>
<td>0.725</td>
<td>0.104</td>
<td>0.088</td>
<td>0.179</td>
<td>0.994</td>
<td>0.897</td>
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<tr>
<td>9 Ethics training for all staff</td>
<td>0.342</td>
<td>0.693</td>
<td>0.177</td>
<td>0.127</td>
<td>−0.054</td>
<td>0.648</td>
<td>0.845</td>
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<td>14 Code associates our bottom line</td>
<td>0.239</td>
<td>0.638</td>
<td>0.195</td>
<td>0.149</td>
<td>0.078</td>
<td>0.531</td>
<td>0.917</td>
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<tr>
<td>6 Code should guide strategic planning</td>
<td>0.342</td>
<td>0.596</td>
<td>−0.009</td>
<td>0.356</td>
<td>0.052</td>
<td>0.941</td>
<td>0.847</td>
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<tr>
<td>11 Should conduct ethical evaluation</td>
<td>0.222</td>
<td>0.576</td>
<td>0.171</td>
<td>0.144</td>
<td>0.449</td>
<td>0.633</td>
<td>0.822</td>
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<tr>
<td>12 Customers should be informed</td>
<td>0.062</td>
<td>0.173</td>
<td>0.060</td>
<td>0.176</td>
<td>0.047</td>
<td>0.512</td>
<td>0.776</td>
</tr>
<tr>
<td>13 Suppliers should be informed</td>
<td>0.073</td>
<td>0.111</td>
<td>0.839</td>
<td>0.074</td>
<td>0.249</td>
<td>0.780</td>
<td>0.758</td>
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<tr>
<td>15 Code assists with ethical dilemmas</td>
<td>0.182</td>
<td>0.161</td>
<td>0.519</td>
<td>0.089</td>
<td>0.382</td>
<td>0.499</td>
<td>0.844</td>
</tr>
<tr>
<td>2 Should inform new employees</td>
<td>−0.000</td>
<td>0.108</td>
<td>0.087</td>
<td>0.905</td>
<td>0.141</td>
<td>0.892</td>
<td>0.627</td>
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<tr>
<td>1 Communicated to all employees</td>
<td>0.139</td>
<td>0.274</td>
<td>0.171</td>
<td>0.6597</td>
<td>−0.013</td>
<td>0.846</td>
<td>0.700</td>
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<tr>
<td>3 Consequences for violation</td>
<td>0.095</td>
<td>0.148</td>
<td>0.135</td>
<td>−0.016</td>
<td>0.6077</td>
<td>0.701</td>
<td>0.850</td>
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<td>5 Support to whistle-blowers</td>
<td>0.258</td>
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<td>0.226</td>
<td>0.152</td>
<td>0.677</td>
<td>0.603</td>
<td>0.863</td>
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</table>

Table V.
Outcome of factor analysis

Note: *Measures of sampling adequacy

Table VI
Reliability coefficients of Cronbach's α

<table>
<thead>
<tr>
<th>ECE construct</th>
<th>Items</th>
<th>Cronbach's α</th>
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</thead>
<tbody>
<tr>
<td>1 Ethical tools</td>
<td>7, 8, 10</td>
<td>0.81</td>
</tr>
<tr>
<td>2 Ethical bodies</td>
<td>4, 6, 9, 11, 14</td>
<td>0.78</td>
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<tr>
<td>3 Ethical support procedures</td>
<td>3, 5</td>
<td>0.60</td>
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<td>4 Internal ethics usage</td>
<td>1, 2</td>
<td>0.84</td>
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<tr>
<td>5 External ethics usage</td>
<td>12, 13, 15</td>
<td>0.74</td>
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</tbody>
</table>

Table VI.
Reliability coefficients of Cronbach's α

References


**Corresponding author**

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