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Business ethics in TQM

The qualities and spectrum zones of a case illustration

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Abstract

Purpose – The objective of this research is to introduce and describe a conceptual framework of business ethics in TQM.

Design/methodology/approach – In order to highlight the concepts proffered, a case study in the Swedish retail industry was conducted. The data that underpin the case illustration have been collected as part of a larger research project in the Swedish retail industry. This paper draws on and reports the findings from one case of the larger research project that has been used in this instance to inform the role of business ethics in TQM. The case illustration is based on a qualitative approach. The data were collected through interviews with leading executives in the corporation,

Findings – Both time and context become crucial parameters to manage the quality and spectrum zones of core values in the marketplace. In fact, the necessary quality management of business operations has to be performed without delay, minimising the damage. Therefore, the importance of business ethics becomes evident in TQM. In the long run, TQM will not succeed in business operations unless business ethics is considered in the core values to support the techniques and tools applied.

Research limitations/implications – The model has only been tested by relating it to one case in the Swedish retail industry.

Practical implications – TQM is dependent on the contextual and evolutionary issues in the marketplace. Therefore, TQM should be interpreted as a continuous process. The importance of continuously monitoring the spectrum zones and qualities of core values in TQM should not be under-estimated. Therefore, business ethics should always be present in TQM. Further research would benefit from other case studies of how business ethics benefits TQM. Therefore, the dynamics of business ethics in TQM should be further explored.

Originality/value – Business ethics needs to be an essential consideration of any TQM process. This paper examines how an organisation can incorporate this task.

Introduction and research objective

TQM gained increased interest among practitioners and scholars during the 1990s. Lagrosen (2001) writes that TQM has become well established as a system for improving both the performance of companies and the satisfaction of customers. Despite its popularity, the meaning of TQM is rather ambiguous. Amsden *et al.* (1996) state that many business people and academicians regard the development and practice of TQM as an evolutionary process rather than a revolutionary one. It is also considered to be either a buzzword (e.g. Hackman and Wageman, 1995; Harari, 1993; Binney, 1992) or something to reach for in order to enhance corporate competitiveness and profitability in the business environment (e.g. Ghobadian and Gallear, 1996; Becker, 1993). A set of core values, such as customer focus, management commitment, process focus, continuous improvements, and fact-based decisions, unites the descriptions of TQM (e.g. Bergman and Klefsjö, 1994; Hellsten, 1997; Hellsten and Klefsjö, 2000; Lagrosen, 2002).

TQM requires cross-functional thinking, planning, and doing (Schonberger, 1995). An important core value neglected in most descriptions of TQM is ethics in the society in general, and business ethics in the marketplace in particular (Vinten, 1998; Peters, 1997a). Representing the soft and hard sides of management, ethics and quality are crucial aspects of an organisation (Bowman and Wittmer, 2000) The implementation of TQM would benefit from a conscious consideration of business ethics in management practice (Peters, 1997b). Stainer and Stainer (1995) argue that management's ethical behaviour is moulded by five main factors, namely:

1. the business situation itself;
2. the task to be performed;
3. the group of peers;
4. leadership style; and
5. past experience.

Svensson and Wood (2003) show that the dynamics of business ethics is a function of time and culture. Therefore, business ethics performance is affected by evolutionary and contextual issues (Svensson and Wood, 2004). We contend that TQM and the performance of TQM are also dependent on these functions and issues. For example, Lagrosen (2002) explores and describes the influence of culture on the way quality management is practised, and concludes that some differences in focus have been found in his international study.

Ethics and business ethics are dependent on reigning values in the societal and business environments. Despite the fact that core values are crucial in the implementation of TQM, business ethics frameworks are rarely discussed in the field. In the first place, the core values of TQM should be built on ethical fundamentals. In the second place, techniques and tools used in the implementation of TQM should also consider these ethical fundamentals. Therefore, the objective of this research is to introduce and describe a conceptual framework of business ethics in TQM.

Business ethics in TQM

Peters (1997a) argues that social responsibility is good capitalism or that good capitalism is socially responsible. Therefore, business ethics is an important ingredient in social responsibility, and in turn a determinant of good capitalism. Bowman and Wittmer (2000) state that organisations exist to improve the quality of people's lives by producing goods and services. Yet while producing these goods and services, managers have to realise the worth of the idea that their purpose is not only to do the right things, but also to do things right. Stainer and Stainer (1995) conclude that ethical behaviour should be an integrative factor within the productivity and quality management process because a better understanding of corporate responsibilities as well as providing a competitive edge may be achieved. Vinten (1998) points out that within TQM sufficient emphasis has not been placed on ethical considerations.

Hellsten and Klefsjö (2000) provide a framework of TQM consisting of three components, namely:

1. core values;
2. techniques; and
3. tools.

Other similar wording is used to describe these phenomena. These words include but are not restricted to principles, procedures, and tools (e.g. Shea and Gobeli, 1995). Other authors have identified different core values in TQM (e.g. Bergman and Klefsjö, 1994; Hellsten, 1997; Hellsten and Klefsjö, 2000; Lagrosen, 2002). Hellsten (1997) concludes that there are a number of common core values in most descriptions of TQM. These are:

- a focus on customers;
- management commitment;
- everybody's commitment;
- focus on processes;
- continuous improvements; and
- fact-based decisions.

Business ethics may also be seen as a generic or grounded core value for the other core values in TQM. Therefore, it may serve as an umbrella to be incorporated and considered in the implementation of TQM. Townsend and Gebhardt (1997) argue that the way that companies go about their business activities, with particular respect to business ethics, is increasingly important to their customers. Customers in the marketplace are becoming increasingly aware of, and increasingly discriminating against, companies that fail to meet the customers' criteria of ethical business activities and management principles. We would postulate that this concern does not just apply to customers, but to all stakeholders of the company and the society in general.

Business ethics is a core value *per se* that should affect the techniques and tools used in a company's implementation of TQM. Business ethics should be aggregated to the list of core values or what Bergman and Klefsjö (1994) labelled as "the cornerstones of TQM". If

business ethics was added to this selection of core values, it would make a fruitful and crucial contribution to the concept of TQM. Business ethics should be considered as a part of the process of TQM and not be seen as extraneous to it. Therefore, the topic of business ethics in TQM is an important issue to discuss and for which to develop a generic conceptual framework.

Business ethics in TQM is affected by contextual issues (Svensson and Wood, 2004), since the management system and business environment certainly will affect what are ethical business activities and management principles in the marketplace. Stainer and Stainer (1995) write that there is undoubtedly a close relationship between productivity, quality and ethics. Culture is a generic contextual issue of business ethics in the society (Svensson and Wood, 2003). Generally, the actors, the activities and the resources in the marketplace form another group of contextual issues (e.g. Håkansson and Snehota, 1995; Håkansson, 1987). In particular, the business environment, the business atmosphere and the interaction of businesses are all influential contextual issues on a corporate level of business ethics performance (Håkansson, 1982). Some of these influences are from the society, the industry in which the corporation operates, the corporation mores and the norms and behaviour of individuals within the corporation. The impact of contextual issues of business ethics in TQM is more or less implicit or explicit in a managerial setting. Studies on international and national levels have been performed considering different contextual issues in business ethics (e.g. Fisher *et al.*, 2001; Seitz, 2001; Peppas and Peppas, 2000; Singhapakdi *et al.*, 1999; Fernandez-Fernandez, 1999).

Business ethics has to be considered internally and externally in the ethical audit for it places the corporation's value system in its cultural and societal context. This idea needs to be explored further. We contend that the reasons for the malpractice that we continue to see in the corporate world are centred on the self-indulgent, introspective and myopic perspectives of companies that are not able to transform their thoughts to consider all possible perceptions and ramifications of their actions: thoughts that are transfixed on corporate and/or personal self-interest to the exclusion of other possible options (Svensson and Wood, 2004).

Business ethics in TQM is also surrounded by evolutionary issues (Svensson and Wood, 2004). Time is a generic contextual issue of business ethics in the society (Svensson and Wood, 2003). Another one is change. Change is the only constant. The contextual issues such as the actors, the activities and the resources in the marketplace are influenced by the evolutionary issues. Furthermore, the business environment, the business atmosphere and the interaction of businesses are also affected on a corporate level. The evolution of contextual issues in TQM certainly will affect the impact in the marketplace of the core values on one's business activities and management principles. The impact of evolutionary issues on business ethics in TQM is more or less implicit or explicit in a managerial setting (e.g. Kilcullen and Kooistra, 1999; Giacalone and Knouse, 1997; Yamaji, 1997; McDonald and Zepp, 1989). A growing number of corporations are devoting attention to evolutionary issues in business ethics. These companies are trying to move themselves towards an ethical business philosophy in the expectation that ethical behaviour by their employees will result (Svensson and Wood, 2004).

Final remark

In the frame of reference we have suggested the managerial importance of considering the impact of business ethics on core values in TQM, since business ethics originates from reigning values in the society and in the marketplace. Business ethics may therefore be seen as a crucial core value *per se* in TQM. The world wide business environment is changing towards a stronger focus on business ethics. As this environment changes, then as a consequence one can assume that its members will expect and even demand more ethical behaviour from its business leaders and their companies. To not recognise this progression of core values in TQM can be a fatal omission from both the company's philosophy and the company's subsequent application of the core values of TQM in the marketplace.

Business ethics in TQM – a conceptual framework of core values

This section introduces a conceptual framework of business ethics that describes the qualities and the spectrum zones of the core values in TQM. The quality of core values refers to evolutionary issues, while the spectrum zone of core values refers to contextual issues. This framework fits into the generic management system of TQM as discussed by Hellsten and Klefsjö (2000) that consists of three components:

1. core values;
2. techniques; and
3. tools.

Techniques and tools should support the core values of business ethics. This framework may facilitate for companies a means by which they can implement TQM and at the same time include a consideration of business ethics. The implementation process originates from the identification of core values that should characterise the company's business ethics. Thereafter, the company has to distinguish appropriate techniques to use and underpin the company's core values of business ethics. Finally, adequate tools have to be selected to contribute to the techniques. Consequently, business ethics should influence the core values of a company's management system, that in turn influences the techniques and tools used. The conceptual framework of business ethics that describes the quality and the spectrum zone of core values in TQM is based on previous research efforts in business ethics and business ethics performance in the marketplace (e.g. Svensson and Wood, 2003, 2004).

Svensson and Wood (2003) focus on the dynamics of ethics in the society and the dynamics of business ethics in the marketplace. Ethics and business ethics are dependent on two principal parameters, namely time and culture. Eventually, ethics and business ethics are about what is perceived as acceptable or unacceptable at a specific time and in a specific cultural setting. What was ethical yesterday may not be ethical today, and what is ethical today may not be ethical tomorrow. In addition, both the company's view and the views of others may determine what is acceptable or what is unacceptable in business ethics. This is a social construction that may differ between the parties involved in a specific context. The research is supported by cases collected from the automotive industry. The contribution of this research is a set of generic models that examine the dynamics of business ethics.

Svensson and Wood (2004) focus on proactive versus reactive business ethics performance in the marketplace. The internal perception of a corporation and the external perception of the same corporation are used as generic determinants of business ethics performance. In turn, they are underpinned by evolutionary and contextual issues in the marketplace. A generic conceptual framework of proactive and reactive business ethics performance is introduced. Case illustrations underpin the positives and negatives of proactive and reactive business ethics performance in the marketplace. A profile analysis process of proactive and reactive business ethics performance is also outlined. The gap between the internal and external perceptions of a corporation's actions becomes crucial to achieve successful business ethics performance in the marketplace. Therefore, a company's current business ethics performance should always be regarded as an on-the-spot-account that is either proactive or reactive. An important insight of this research is that business ethics performance requires of companies an ongoing re-connection with reality.

Business ethics – spectrum zones and qualities of core values in TQM

The outcome of TQM is affected by the core values that guide and shape the company's business ethics. There is a spectrum of zones from highly acceptable through highly unacceptable performances in the marketplace (see Figure 1). As indicated by Svensson and Wood (2004) the spectrum zones are dependent on the evolutionary and contextual issues, as well as time and culture (Svensson and Wood, 2003).

The spectrum of core values consists of different zones, where the risk taking and performance in TQM go from safe to hazardous business ethics. On the one side, the white spectrum zone of core values is characterised by low risk taking and safe performance of business ethics in TQM. Its core values stand out positively in the marketplace. On the other side, the black spectrum zone of core values is characterised by high risk taking and a hazardous performance of business ethics in TQM. This can be characterised as a flagrant disregard for what should be done, for what is expected and for what is correct ethical conduct. It stands out negatively in the marketplace. Between the white and black spectrum zones there is a grey spectrum zone of core values. It may be characterised by moderate risk taking and moderate performance of business ethics in TQM. The dilemma of the grey spectrum zone of core values is that as contextual and evolutionary issues change the risk taking and performance of business ethics in TQM may dramatically and suddenly impact the company negatively in the marketplace. Therefore, the core values of a company's TQM should belong to the white spectrum zone in order to have a safety zone or time buffer to manage changes in the business environment. Even within the white and black spectrum zones there are nuances of risk taking and performance of business ethics. Consequently, the closer the match between the company's core values and the marketplace's core values, the greyer becomes the spectrum zone until there is either a negative match eventually turning it into black, or a positive match eventually turning it into white. Therefore, the company's core values have to maintain a substantial positive match in order to support appropriate techniques and tools in TQM.

The spectrum zones of core values in TQM underpin the business ethics performance achieved in the marketplace. Three generic core values may be identified. These core values are namely proactive, consensus, and reactive (see Figure 2).

Proactive quality refers to the contention that a company's core values in TQM are a step-ahead in the marketplace, while reactive quality refers to the contention that a company's core values are a step-behind. Consensus quality refers to the contention that some of a company's core values in TQM are a step-ahead, while others are a step-behind. This may be a troublesome situation, since the reactive core values could impact the success of TQM. Ideally, a company's core values should therefore be proactive. The dotted line in Figure 2 indicates the successive process from proactive through consensus to reactive core values.

Apparently, there are close connections between the spectrum zones and the qualities of the core values (see Figure 3). There are evident similarities in TQM between each spectrum zone of core values and each quality of core values, such as white versus proactive, grey versus consensus, and black versus reactive. The spectrum zones emphasise the degree of acceptability versus unacceptability of a company's core values in TQM in the marketplace. This is a contextual issue (Svensson and Wood, 2004). The qualities emphasise the degree to which a company's core values are either a step-ahead or a step-behind the core values expected in the marketplace, that in itself is an evolutionary issue (Svensson and Wood, 2004).

Case illustration

The conceptual framework of the spectrum zones and qualities of the core values in TQM in a business ethics context introduced in the previous section is supported in this section by a real-life case illustration. The case shows the influence that the spectrum zone and quality of the core values in TQM have on corporate actors, activities and resources in the marketplace.

Methodology

The data that underpin the case illustration has been collected as part of a larger research project in the Swedish retail industry. This paper draws on and reports the findings from one case of the larger research project that has been used in this instance to inform the role of business ethics in TQM. The case illustration is based on a qualitative approach. The data was collected through interviews with leading executives in the corporation, Metsä Serla. The selection of executives was based on a convenience sampling. Internally issued documents, such as press releases, booklets, and letters, also have been used. In addition, other sources of information such as newspapers, access to the product and its packaging, and visits to plants of production were used. The content analysis of the research efforts was based on these observations and data.

The Metsä Tissue case

Metsä Tissue is a Finnish corporation that manufactures tissue products. The corporation is the market leader in the Nordic group of countries and a major tissue supplier to the markets of continental and northern Europe. The corporation is also the European market leader in baking and cooking papers. The products are sold to households and to the away-from-home market. Brand names such as Lambi, Leni Katrin, Serla, Mola and Fasana form the core of the corporation's brand name portfolio. The corporate strategy is to seek growth

in those markets where the corporation can achieve a significant position. The aim is to become the leading European tissue company in selected markets in Europe north of the Alps. In all of the company's operations, a priority is to work hard on behalf of the natural environment and also at the same time to conserve and save natural resources.

Metsä Tissue is a corporation that strives to maintain high ethical standards in its quality management of its business operations. Employees at all levels are provided with training and courses to create an understanding of the corporation business environment. It could be described as being in the white spectrum zone of core values and maintaining a proactive quality of core values. Metsä Tissue believes that this can be achieved thanks to a skilled, highly committed workforce, whose ongoing training is the key to the future success of the company. The corporation seeks to reach the goals through efficiency and profitability, thereby ensuring a competitive return on investment for the shareholders.

The launch of a promotional drive in the marketplace. In early August 1998, Metsä Tissue launched a promotional drive in the Swedish consumer market entitled "Entertainment in the Lav". The product and brand name "Lambi" was used. The promotional drive was based on graffiti or scrawl originating from different locations around Sweden. The graffiti was actually printed on the toilet paper. The promotional idea was to amuse and entertain the consumers' lav-visit experience reading these items of graffiti. Therefore, the graffiti was intended to provide joy and thoughtfulness to the reader, and a positive image of the product and brand name (i.e. Lambi). As an extension, it was hoped that the corporate brand would be positively influenced (i.e. Metsä Serla). The promotion was seen by the company as a way of creating attention in retail stores for a normally dull and less than exciting product category. The intention was also to create satisfaction among consumers and to inspire spontaneous purchases of the toilet paper. Accordingly, the company believed that the promotional idea was rather harmless, but could be extremely effective. Approximately 120 items of graffiti had been printed on the toilet paper. Most of them are difficult to translate properly into English due to Swedish colloquialism, but a selection of these items of graffiti is tentatively illustrated in Table I.

The promotional drive was expected to run smoothly, but suddenly things were going terribly wrong in the marketplace. The corporation's switchboard reported a dramatic increase in complaints connected to the promotional drive: a drive that had been in the consumer market for six weeks. Between 300 to 400 calls were registered during a couple of days. An internal rule of thumb used by the corporation contended that for each call from a consumer it might well reflect another 1,000 consumers in the marketplace who had, but did not directly express, similar sentiments and dissatisfaction. Accordingly, there could be an ongoing and widespread uproar against one of Metsä Tissue's products. Alarm bells went off within the corporation and the top management were notified immediately.

The reaction in the marketplace. What had actually caused so many consumers to call the corporation's switchboard and express their discontent with the promotional drive? Obviously, it did not have anything to do with the product quality. Apparently, it was related to parts of the message on the product that were transmitted to some segments of consumers in the marketplace. A few of the items of graffiti caused a strong negative

reaction in the Swedish marketplace. Basically, three categories of complaints were received by the corporation's switchboard:

1. A minor part of the Christian community made comments about the following texts in the graffiti:

- "God is dead/Marx is dead"; and
- "Easter is cancelled this year – Jesus is alive – Christmas is also cancelled – they have found the father".Christians thought it was not appropriate to joke about these religious icons.

1. Many Muslims reacted strongly to a piece of graffiti where the wording runs as follows: "If Muhammed's car does not arrive in Mecca then Muhammed will have to repair the car." Mecca in Swedish is written "Mecka" without a capital "m" (i.e. mecka), but as a slang expression it also means "to fix or to repair". A potential translation illustrating the wording could be: "If Muhammed's car does not manage to arrive at Mecca then Muhammed will have to manage the car." The issue at hand was not the graffiti about Muhammed, but the fact that his name and dignity were used on toilet paper. The seriousness of the concern lay in the intended use of the product.
2. A third group of complaints was dedicated to the issue of the actual use of graffiti on toilet papers – a few consumers wondered why a company would encourage graffiti through a promotional drive, as such graffiti defaced the environments from which they were copied?

An interesting fact in this situation was that the same promotional drive had been used previously in the 1980s, without any negative reactions in the marketplace. Apparently, the evolutionary issues had changed the contextual issues in the marketplace. What had happened? One of the reasons identified was that there were more Muslims in Sweden in 1998 in relation to the 1980s, which confirms the fact that the evolutionary issues had impacted the demographics in the marketplace. Another important reason was that in the 1980s the consumer product package did not contain guidance to facilitate the consumers' desired contacts with the corporation (e.g. a free phone number). Tentatively, there was a negative reaction to the launch of the promotional drive in the consumer marketplace of 1980s too, but the corporation was never alarmed or aware of this situation at the time.

Quality management in the marketplace. What quality management did Metsä Tissue actually undertake to resolve the dilemma that occurred in the Swedish marketplace? The corporation did act, and acted rapidly to resolve it! Metsä Tissue's quality management in the described market situation serves as a good lesson in respect to the importance of business ethics in TQM and how one should proceed in order to avoid long term negative consequences in the marketplace.

From running its business operations safely in the white spectrum zone of core values signals in the marketplace indicated that this promotion could lead to the sudden movement towards the grey spectrum zone and perhaps even beyond towards the black zone. This situation occurred after six weeks and the next couple of days escalated. The

corporate purpose of maintaining a proactive quality of core values also deteriorated rapidly towards reactive quality in this short time that elapsed. The situation accelerated continuously with repeated appearances on the television news on 22-23 September and the following days in the newspapers (23-24 September) dealing with the drive. Meanwhile, the top management was working intensely to resolve these unfortunate happenings that were damaging the corporation's product, brand name, and reputation for social responsibility in the marketplace.

Representatives from an important Muslim organisation in Sweden brought forward their concerns and complaints of the promotional launch in a letter to Metsä Tissue on 21 September. On 22 September, the top management of Metsä Tissue organised meetings with important religious Muslim organisations in Sweden in an attempt to find an appropriate solution to the situation. The outcome arrived at in these meetings were agreements to change the situation as soon as possible. This action was initiated within hours. On the evening of 22 September approximately 3,000 faxes were sent out to all of the retail chains and all of their stores involved in the promotional drive. These faxes explained the situation and ask for each store's collaboration in immediate removal of the product from all shelf spaces. All the extra costs associated with this request were to be paid by Metsä Tissue. On 23 September a press release was communicated in which it was explained the situation previously described in the faxes sent to the involved retail chains and their stores. In addition, on 23 September a full-page advertisement was published in the principal newspapers (i.e. *Svenska Dagbladet, Dagens Nyheter*, and *Göteborgs-Posten*) apologising for the inconvenience and discontent caused among Muslims and others in the marketplace. The advertisement also explained that the production of the toilet paper containing graffiti had been stopped and that the products were being removed from stocks and store spaces. The destruction of all of the products had been authorised by Metsä Tissue. The consumers were also informed if they wanted to they could exchange the product for a new one without the graffiti printed on it. On 24 September, the same Muslim organisation that informed Metsä Tissue about their concerns and complaints in the promotional launch sent a new letter acknowledging the appropriateness of the actions taken by Mestä Tissue. The letter expressed their gratitude and acceptance on behalf of all the Muslims in Sweden. This is another indicator of the quick response of Metsä Tissue's quality management to correct the unfortunate happenings that had occurred in the Swedish marketplace a few days earlier.

Consequences in the marketplace. Consequently, when Metsä Tissue's quality management of this delicate market situation occurred it was managed without delay and with the company always striving to regain any lost confidence among the consumers in the marketplace. Furthermore, the corporation's reactive quality of core values succeeded in returning the spectrum zone of core values back to where it is supposed to belong, that is, in the white spectrum zone. On 25 September the uproar among consumers had calmed down and Metsä Tissue's business operations were almost back to normal. A lesson learnt from the Metsä Tissue-case is never to cover up when business operations go wrong in the marketplace, because sooner or later the reality will catch up with the corporation and the negative consequences might be more severe and more difficult to resolve than if the issues had been confronted at the time.

A prologue. In the spring of 2002, a similar promotional drive by Metsä Tissue was launched, but this time it was based on children's thoughts. This area was seen as an innocent topic. The company hoped to avoid repeating the previous mistakes and unfortunate happenings of 1998. Nevertheless, the content of the promotional launch was carefully scanned and read by numerous people from different points of view to avoid any discontent or ill-will in the marketplace. It was launched simultaneously in Denmark, Norway and Sweden. A selection of the children's thoughts are illustrated in Table II.

The re-launch was successful in various aspects. The main argument of the launch to the retailers was that it boosted sales volumes through appealing to families with children, encouraged spontaneous purchases of the toilet paper, and created attention in stores. The sales force did not have any problems at all gaining interest in the re-launch. The executives in charge in the retail chains and stores remembered positively the drive entitled "Entertainment in the Lav". In fact, consumers are asking still for the toilet paper used in the 1998 drive, although it is not possible to get it! The positive impact that the drive had, and still has, on the interest of some consumer segments is substantial. The delicate market situation that occurred at the time is becoming a nostalgic event that continues to benefit Metsä Tissue today, because of the appropriate and timely quality management performed when the market situation was tremendously problematic.

Other cases of interest and further reading. Examples of other cases where the corporation's quality management has been successful from an ethical point of view are:

- The Volvo case (Svensson and Wood, 2003) – the case is about a car manufacturer that has a long tradition of focusing on the safety quality of its products. Safety quality has been at the forefront of all that the corporation has done, since its inception. It has established a reputation for safety quality that in its obvious extension means a concern for their customers. This focus has benefited the corporation. Volvo and Safety are synonymous in the marketplace.
- The Tylenol case (Jennings, 1993) – the case is about a corporation's capsules in the marketplace that had been laced with cyanide by an unknown person. The tablets had been tampered with and unsuspecting customers took them for pain relief. Tylenol implemented a full product recall. The corporation believed that their ethical principles meant that they could not compromise on product quality and hence product safety. As a result of these concerns, the corporation developed tamper proof packaging and gained confidence in the marketplace.

These positive cases are rare in the literature. It is unusual to witness a corporation achieve notoriety for an act that has placed its social values and corporate responsibility above its quest for profits.

Examples of cases where the quality management has failed from an ethical point of view are:

- The Joe Camel case (Jennings, 1993) – the case is about a corporation appearing to target cigarette advertising at children. It was not seen as acceptable by many

people in society at the time, yet it required the risk of legal action to be taken against the corporation that finally led to the campaign not continuing.

- The Challenger case (Desjardins and McCall, 2000) – the case is about a corporation's alleged negligence to react according to available information of severe deficiencies in security procedures and routines before each launch of the space shuttle. It was launched and a disaster occurred.
- The Exxon Valdez case (Ferrell and Fraedrich, 1991) – the case is about a corporation's tanker that could have been double hulled which would have contained the spill. As a shipper of crude oil around the world, it seems that the corporation had not correctly understood its responsibilities, nor the backlash against it that would occur. The corporation was lagging in its appreciation of the impact of environmental safety issues.
- The Ford Pinto case (Jennings, 1993) – the case is about a car manufacturer that performed a cost benefit analysis that allegedly traded the value of the human life of potential customers off against minor modifications to a car that the corporation knew was inherently unsafe.
- The Johns Manville case (Jennings, 1993) – the case is about a corporation that supposedly went one step further than exposing its customers to harm. It seemingly disregarded the health and safety of its own workforce. It shows a corporation that allegedly suppressed the truth for many decades and that had no real qualms about its expendable workforce.
- The Nestlé case (Jennings, 1993) – the case is about a corporation that seemingly capitalised on peoples' desire to improve the lot of their children with a new infant formula without ensuring in the long term that these new consumers could adequately afford and/or use the product safely. It is suggested that the corporation traded on the lives of the youngest and most helpless in lesser developed societies: its children.
- The Union Carbide case (Jennings, 1993) – the case is about a corporation's toxic chemical leak into the surrounding district from one of its pesticide factories. The effects on the people who lived nearby the factory were devastating. The corporation had located its factory in this area because of low labour costs, very low taxes and safety standards that were much less stringent than those required elsewhere. The corporation did not appear to take its safety responsibilities as seriously as they should have.

These cases highlight that these companies have compromised and flouted society's ethical expectations in such areas as their relations with consumers, environmental standards, their relations with their own employees and safety issues. Their business focus was not on quality management principles for the company and all of its stakeholders, but on management principles that focussed only on improved financial quality for the company. Companies need to consider all stakeholders when constructing quality management processes. Not to do so is an abrogation of their corporate social responsibilities to the society. Further details of these cases may be found in Svensson and Wood (2004) where the authors discuss sources and consequences of proactive and reactive business ethics performance.

Managerial implications and concluding thoughts

The Metsä Tissue case illustrates the dramatic impact that sudden changes in the evolutionary and contextual issues may have on a corporation's business operations in the marketplace. Prior to this product launch in 1998, Metsä Tissue was at the time relatively safe in the white spectrum zone, but minor misinterpretations inherent in this promotional drive caused a rapid slide into the grey spectrum zone. Fortunately, this slide was stopped skilfully before it reached the black spectrum zone. This was a slide that could have led to a troublesome and negative corporate reputation remaining for a long time in the marketplace. Therefore, quality management should consider business ethics in TQM. Furthermore, quality management should avoid the grey spectrum zone in their current business operations. Being in the grey spectrum zone tightens and increases the pressure on the corporation's immediate and appropriate quality management. The "safety-buffer" is more fragile and hazardous.

Quality management should also be based on the proactive quality of core values needed to stay ahead of potential happenings in the marketplace. In those cases and situations where it is not possible to maintain proactive values in business operations, the proactive quality *per se* can alleviate the impact of dramatic successes causing negative consequences in the business environment. In addition, a corporation's quality management should rest on sound grounds of business ethics that could counter-balance unfortunate situations that the corporation might be exposed to in the marketplace.

Consequently, time as well as context, become crucial parameters to manage the quality and spectrum zones of core values in the marketplace. In fact, the necessary quality management of business operations has to be performed without delay minimising the damage. Therefore, the importance of business ethics becomes evident in TQM. In the long run, TQM will not succeed in business operations unless business ethics is considered in the core values to support the techniques and tools applied by corporations.

Based on the introduced conceptual framework and the case illustration in this article a few concluding thoughts might be drawn. First of all, TQM is dependent on the contextual and evolutionary issues in the marketplace. Therefore, TQM should be interpreted as a continuous process. Second, the importance of continuously monitoring the spectrum zones and qualities of core values in TQM should not be under estimated. Therefore, business ethics should be always present in TQM. Third, further research would benefit from other case studies of how business ethics benefits TQM. Therefore, the dynamics of business ethics in TQM and the value of business ethics to the process of TQM should be further explored.
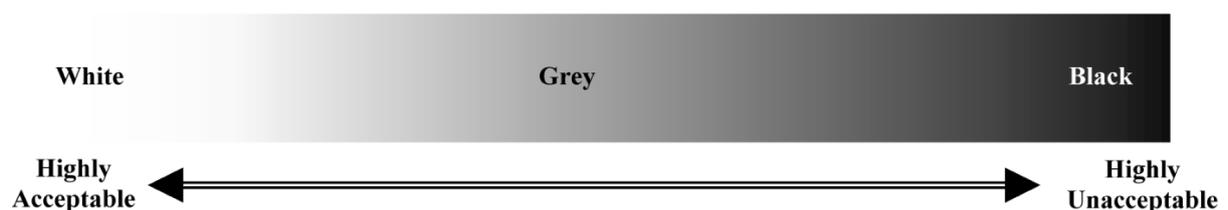

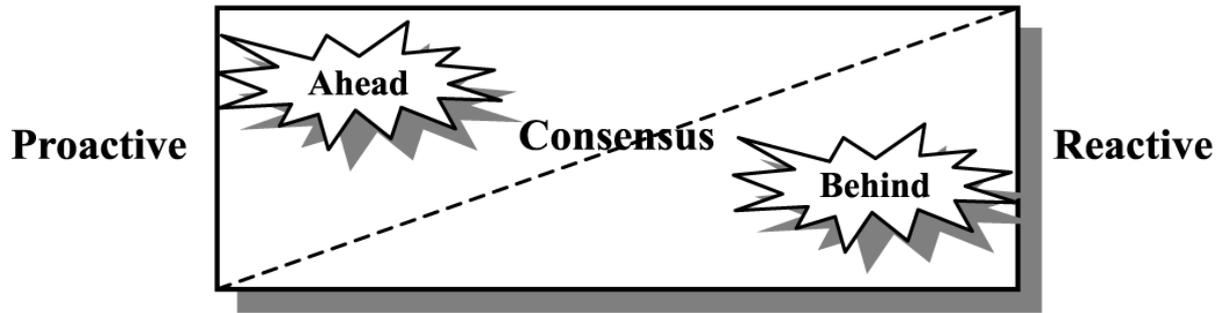**Figure 1** *Business ethics – the spectrum zones of core values in TQM*

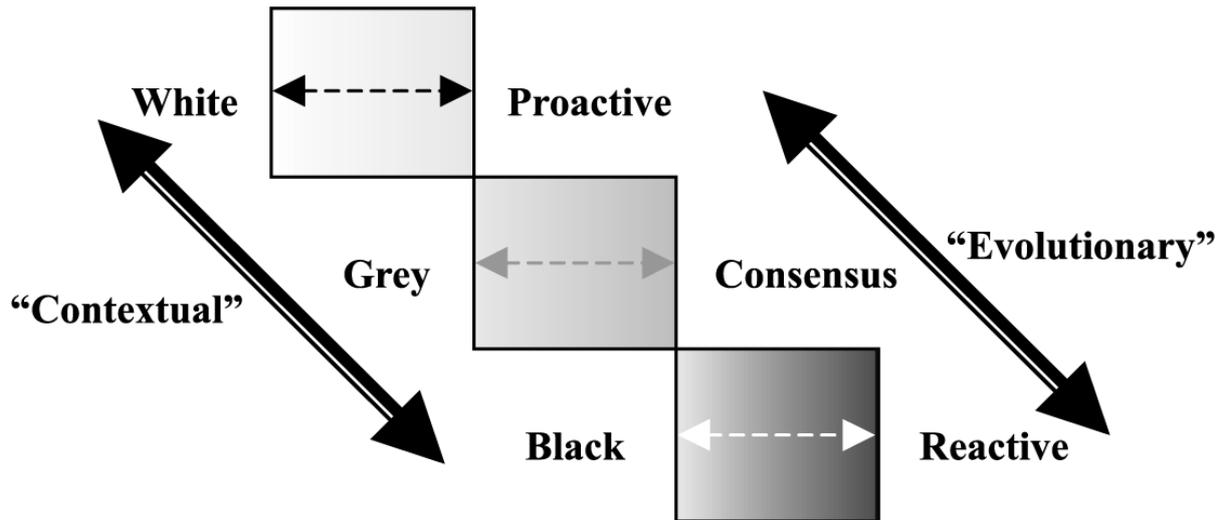**Figure 2** *Business ethics – the quality of core values in TQM*

Figure 3 *Business ethics – spectrum zones versus qualities of core values in TQM*

Graffiti[a]	Location
"The truth is valuable, but we waste it"	Underground
"Let the young sit so they will be able to stand when they become old"	Train
"Apathy abounds in Sweden and I don't care"	Fence
"To decide not to decide is to decide"	School wall
"Double your money – tear them into two pieces!"	Desk at a bank office
"The verger of this graveyard has at least a thousand men under him"	Shed
"Wait until I grow bigger and then I will scrawl on the ceiling"	Lower wall public bathroom
"The punishment for bigamy – two mothers-in-law"	Gents' room
"Women that are satisfied to be a man's equal lack ambition"	Ladies' room
"We cowards should rule if we dare to"	Commuter train station
"What worries me most is that nothing worries me"	Shed
"Cannibals eat cheaper"	Restaurant entrance
"Rush hour is when everything stops"	Highway bridge
"If you don't stop scrawling we will remove them"	Owner
"Scrawl is the poetry of the street"	Pedestrian path
"Everything is prohibited! Do as you want!"	Underground platform
"I hate to spread rumours but what more could you do with them?"	Ladies' room
"Marriage is the cause of all divorces"	Elevator
"The only thing my husband and I have in common is that we got married on the same day"	Train underground

Note: Translation from Swedish into English

Table I. A sample of graffiti and its location extracted from the promotional drive entitled "Entertainment in the lav" in 1998 by Metsä Tissue

Table I *A sample of graffiti and its location extracted from the promotional drive entitled "Entertainment in the lav" in 1998 by Metsä Tissue*

Children's thoughts[a]	Child
"Isn't it strange that it is harder to sit down doing homework than playing football?"	Erik, 10 years (boy)
"I am not afraid of the darkness as long as I can keep the light on"	Elin, 6 years (girl)
"The worst thing with girls is that they keep so many secrets. I would love to know more about their secrets"	Nils, 11 years (boy)
"Water-melon is a nice fruit. You eat, drink and wash your face at the same time"	Berit, 8 years (girl)
"Girls are nice creatures"	Zak, 9 years (boy)
"I don't like those boys that are bad-tempered and boring"	Sara, 10 years (girl)
"You can say what you want about girls, but I do not like them"	Odd, 7 years (boy)
"I don't know what boys will mean to me in the future, but I would like to marry one of them"	Caroline, 10 years (girl)
"I know that girls use make-up and I think they enjoy diadem"	Joakim, 11 years (boy)
"Boys are very important to me, for example when you have babies"	Jessica, 9 years (girl)
"I prefer that my mummy kisses me not other girls"	Rune, soon 8 years (boy)
"What do you want to know more about a boy? The telephone number!"	Emma, 7 years (girl)
"I have never understood why my ears have to be so carefully washed"	Ola, 9 years (boy)

Note: Translation from Danish, Norwegian and Swedish into English

Table II.
A sample of children's thoughts and expressions extracted from the promotional drive entitled "Children's thoughts" in 2002 by Metsä Tissue

***Table II**A sample of children's thoughts and expressions extracted from the promotional drive entitled "Children's thoughts" in 2002 by Metsä Tissue*

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