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Fostering ethical behavior and preventing corruption:

A purchasing perspective

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Globalization

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Master's thesis Spring 2014

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Sammendrag

Med de stadig nye avsløringer om korrupsjon blant Norske selskaper og et økende fokus på etikk og anti-korrupsjon, er formålet med denne masteroppgaven å undersøke hvordan Innkjøpsledelse og Organisasjonskultur bidrar til å fremme etisk atferd og forhindre korrupsjon. Videre, forsøker denne oppgaven å undersøke og teoretisere om hvordan bedrifter kan fremme etisk atferd og hindre korrupsjon i sine respektive aktiviteter.

Den anvendte forskningsmetodikken er kvalitativ og studiet ble utført som et case-studie (ref. Yin, 2009). Masteroppgaven i bruk resultater fra Ulstein-konsernets arbeid med «compliance» og anti-korrupsjon samt erfaringer fra Ulsteins ulike innkjøpsavdelingene. For å analysere resultatene ble et litteraturstudie utført for å videre kunne utforske og kombinere de teoretiske feltene innen innkjøpsledelse og organisasjonskultur for å sammenligne funnene med innsamlet empiri.

Litteraturstudiets funn tyder på at god innsikt i organisasjonen og strategiske element bør anvendes når man skal forebygge korrupsjon i innkjøpsaktiviteter. Bedrifter må sørge for at de har nødvendige kompetanser, prestasjonsmål, kostnad/nytte analyser, organisasjonsstrukturer, og strategier for å implementere de nødvendige tiltakene. Å fremme etisk atferd og forhindre korrupsjon krever kontinuerlig arbeid. Kontinuiteten er viktig for å forsikre seg om at bedriftens aktiviteter drives i henhold til selskapets etiske standarder. I tillegg er kontinuitet viktig fordi – markedet, ansatte, forretningsprosesser, lover og regler – sammen med sine tilknyttede risiko kan endre seg over tid.

Videre fremhever litteraturstudiet viktigheten av å ta hensyn til organisasjonskulturen i et selskap når målet er å utvikle etisk atferd. Organisasjonskultur kan betegnes som forhold og systemer som kan fremme etisk- eller uetisk atferd blant ansatte. Bedrifter som ønsker å utvikle etisk atferd i sin kultur bør ha: klare og tydelige standarder (for eksempel etiske retningslinjer); tilstrekkelig med ressurser for å arbeide etisk; åpenhet for å diskutere etiske problemstillinger; åpenhet rundt sine aktiviteter; straff for uetisk atferd og belønning for etisk atferd. I tillegg må toppledere være engasjert og oppfattes slik av andre ansatte.

I et forsøk på å teoretisere hvordan bedrifter kan fremme etisk atferd og hindre korrupsjon blir et nytt rammeverk basert på den gjennomgåtte litteraturen foreslått. Analysen av Ulstein-konsernet tar også utgangspunkt i dette rammeverket. Videre bidrar de empiriske funnene i denne oppgaven med ny innsikt til rammeverket.

Analysen viser at den observerte praksisen i Ulstein har likhetstrekk med teoretiske antakelser fra teori om innkjøpsledelse og organisasjonskultur. Men det er rom for forbedringer i Ulstein. Det blir foreslått anbefalinger og utviklingsmuligheter for ledelsen som bør vurderes for å kontinuerlig forbedre og fremme etisk atferd i Ulstein-konsernet. Det anbefales å gi tilstrekkelige ressurser til å jobbe med etterlevelse og oppfølging av etiske retningslinjer innad i organisasjonen og i samhandling med leverandører. Videre blir det foreslått at Ulstein også utvikle et opplæringstilbud for å øke den etiske bevisstheten blant nåværende og nye ansatte. I tillegg bør det utvikles prestasjonsmålinger for å stimulere etisk oppførsel. Til slutt foreslås

standardisering og tilpasning av leverandøraktiviteter, som for eksempel revisjon og oppfølging, for ytterligere å fremme etisk atferd i organisasjonen.

Abstract

In the view of the latest corporate scandals in Norway and increased focus on ethics and anti-corruption, the purpose of this thesis is to investigate the roles of Purchasing and Supply Management and Organizational Culture when fostering ethical behavior and preventing corruption. More specifically, this research attempts to investigate and theorize how organizations can foster ethical behavior and prevent corruption in their respective activities.

The research methodology is qualitative, and the research was conducted as a case study (ref. Yin, 2009). Moreover, the case company's practice with compliance and anti-corruption, especially in regards to their purchasing activities was analyzed. In order to do that, a literature study was carried out to explore and relate purchasing and supply management and organizational culture, in an effort to compare these findings with the observed practice.

The literature findings indicate that a holistic view of the organization and its strategic elements should be applied when preventing corruption in purchasing activities. Companies need to make sure that they have competence, performance measures, cost/benefit analyses, the necessary structure, and strategy needed to deliver the necessary changes. Fostering ethical behavior and preventing corruption is not a one-time incident, but a continuous process. The continuity is important to ensure that activities run according to the company's ethical standards, as well it is important since markets, employees, business processes, laws and regulations, along with their associated risks may change over time.

Moreover, the literature study highlighted the importance of considering the organizational culture in a company when the goal is to increase ethical behavior. The organizational culture constitutes conditions and systems that may promote ethical or unethical behavior among employees. Organizations that want to enhance their ethical culture should have clear standards (e.g. code of conducts), sufficient resources for working ethically, trust and support between lower level employees and managers, openness to discuss ethical issues, transparency throughout their activities, rewards for ethical behavior, and punishment for unethical behavior. As well, top managers must be committed and perceived as committed through the eyes of the employees.

Based on the aforementioned findings, a new framework is proposed in an attempt to theorize how companies can foster ethical behavior and prevent corruption. The findings of this thesis give some new theoretical insights to the framework.

The analysis reveals that that the observed practice of Ulstein to some extent resembles the theoretical frameworks in the organizational culture and PSM literature; however, there is room for improvements in Ulstein. The findings bring along implications for the management that should be considered in order to continuously improve and foster ethical behavior. It is recommended to provide sufficient resources to work with compliance within the organization and towards suppliers. Moreover, Ulstein should also develop training programs to increase ethical awareness among current and new employees. In addition, performance measures

should be developed to stimulate ethical behavior. Finally, standardization and adaption of supplier activities (e.g. audits and follow-ups) is suggested in order to foster ethical behavior.

Abbreviations

CEV – Corporate Ethical Virtues

EU – European Union

PSM – Purchasing and Supply Management

SWM – Strategic Supply Wheel Model

TI – Transparency International

UNGC – United Nation Global Compact

WTO – World Trade Organization

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1 Introduction

This chapter introduces the study as well as describes the rationalities behind the study. It also defines the problem statement along with study's four research questions. Furthermore, the research ethics and limitations are briefly discussed. Finally, the thesis structure is outlined in regards to the research questions.

The researcher's initial objective was to investigate how the organizational culture drives ethical behavior in organizations. This being a rather wide question, it was necessary to scope the study. The main determinant were the initial literature review. The section below introduces the initial literature review and aims to set the context of this thesis.

1.1 Background

It is vital for companies to protect their reputation and consequently they have to take into account internal and external stakeholder's expectations in terms of what is ethical. Many claim that this development is the outcome of global sourcing and changing expectations of organization stakeholders (i.e. customers, NGOs, and general public) who tend to hold companies accountable for their own actions as well as the action of actors within the whole supply chain (Goebel et al., 2012).

In this context, the Purchasing and Supply Management (PSM) function has emerged as a vital function for companies to safeguard themselves from unethical behavior and the following reputational damage (Carter & Jennings, 2004; Handfield et al., 2002). The PSM function plays a crucial role in ensuring that suppliers comply with ethical standards (Blowfield, 2000; Carter, 2000). Purchasing managers frequently interact with members of the supply chain and often face situations where they must judge what is right (ethical) and wrong (unethical) (Wood, 1995). Therefore, in turn their behavior may significantly influence how various stakeholders perceive the company. Researchers and practitioners stress the importance of aligning corporate activities and decisions with stakeholder's ethical expectations (Kleindorfer et al., 2005).

In order to exemplify ethical behavior, the issue of corruption is considered. Highly publicized scandals and increased legal enforcements from governments have established corruption as an unavoidable issue for managers to address. Almost every company, regardless of size, industry or country of operation, is exposed to some degree of corruption risk. Some companies have begun to develop strategies on how to address the issue of corruption. Others are just waking up to the risk, often because of external penalties have caught their attention, pressure from stakeholders, or because they are seeking opportunities in unfamiliar markets. Transparency International conducted a survey called "Global Corruption Report" in 2009. It shows that companies with anti-corruption programs and ethical guidelines are less likely to lose business opportunities (Zinnbauer et al., 2009). In another global survey, conducted by Ernst & Young in 2012, 39 % of the respondents reported that bribery or corrupt practices

occur frequently in their countries. Despite the obvious risks of taking part in corrupt practices, companies still fail to do enough to restrain from it (Ernst & Young, 2012).

Ethical culture, which is a major element of organizational culture (Trevino, 1990), “*helps to establish what is considered legitimate or unacceptable in an organization*” (Treviño et al., 1998, p. 452). Research has shown that the ethical culture of a company - to a large extent – influences how employees evaluate the potential trade-off between the social, environmental, and economic elements. According to Trevino and Weaver (2003) “*most top managers would agree that they are committed to ethics, but commitment to ethics easily can be lost in an environment in which managers are expected to deliver increasing returns to shareholders*” (p. 95).

1.2 The choice of topic, justification, and motivation

Recent studies have shown that managers in general and more specifically purchasing manager are uncertain about how to manage ethical behavior in their organizations to be able to meet the expectations of their stakeholders. There is no single definition of what constitutes ethical and unethical behavior. In addition, the perception of what is considered ethical can change over time. Consequently, the actions which companies can be held responsible for unethical behavior may change as well (Goebel et al., 2012).

There appears to be a rising international focus on corruption as a threat to social and economic development. As the US President Barack Obama has said, “The struggle against corruption is one of the great struggles of our time.” Several worldwide organizations like Transparency International (TI), United Nations (UN), European Union (EU), The Organisation for Economic Co-operation and Development (OECD), World Bank, and World Trade Organization state that they are aiming to fight corruption. There is an emerging trend for companies to commit to the United Nations Global Compact (UNGC), a strategic policy initiative for businesses that are committed to align operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption (GC, 2013a).

In the previous section, a notion was made that Purchasing and Supply Management plays an important role in safeguarding organizations from unethical behavior. However, in order to understand what is considered legitimate or unacceptable in an organization one should consider its ethical culture.

1.3 Thesis collaboration partner

The collaboration partner of this thesis is Ulstein Group AS. This firm is a Norwegian multinational maritime company with headquarters located in Ulsteinvik. It is involved in various activities, including ship design, ship power and control, ship building and shipping. A more in depth presentation of the company will be given in chapter 5.

The author was introduced with the company during a seminar on Green Value Creation at NTNU, and got to know that the company was currently implementing ethical guidelines for

their organization members after a discussion with their HR-Director Torild Bugge. Given the common interests of the researcher and Ulstein it was decided to collaborate together.

1.4 Problem description

The general outline of the master thesis is stated in the below following text:

“Companies in the maritime sector are often active in foreign countries, and are thus faced with unfamiliar business environments. Consequently, many companies are subjected to the risk of corruption. The purpose of this thesis is to investigate the roles of Purchasing and Supply Management and ethical culture when mitigating corruption risk. The theoretical background of the thesis is primarily based on literature from the field of purchasing management and organizational culture. This thesis follows the case study methodology, considering a Norwegian firm in the maritime sector and aims to relate empirical observations from the case to theory, in order to identify best practices.”

The description provides a sense of direction for the research’s purpose and objective, but it is very general of nature. To concretize the purpose, four research questions are presented below.

Part 1: Literature study

- RQ.1) What role can PSM play to foster ethical behavior and prevent corruption?
- RQ.2) How does organizational culture affect employee ethical and unethical behavior, and how can organizations enhance their ethical culture?

Through a literature review the first research question aims to identify important factors a company should consider in order to foster ethical behavior and mitigate corruption risk. The literature review takes basis in theory from the field of strategic purchasing management, and anti-corruption literature. The second research question is also answered through a literature review which aims to understand organizational culture and its impact on employee ethical and unethical behavior. The findings and discussion of research questions one and two are used as a basis for analysis of the case company.

The literature was collected from well-renowned journals, internet, and books. The following search engines were used to collect the articles: Science Direct, Google Scholar, Elsevier, and Springer. Additionally papers from OECD, Price Waterhouse Coopers, and Transparency International were used for this study.

Part 2: Case study and analysis

- RQ.3) How do the empirical findings conform to those from the literature?

The second research question aims to relate the empirical findings to the theoretical findings from RQ1 and RQ2.

Part 3: Discussion and conclusions

- RQ.4) Based on the literature- and empirical findings, how can the case company enhance their ethical behavior?

The fourth and final research question uses the thesis's findings and analysis to suggest improvements for the case company.

1.5 Research ethics

This thesis is conducted only for research purposes. The collected data is not intended for other purposes. Anonymity and confidentiality are of great importance.

1.6 Limitations

The aim of this research is to answer the aforementioned four research questions. This thesis is a case study of a Norwegian company with abroad operations, and the research is limited thereafter.

One limitation involves *social desirability* bias the findings of the research. According to Randall and Fernandes (1991, p. 806) individuals may put effort to conform to societal norms, and thus present themselves in a favorable light, regardless of their “true” feeling or “actual” behavior. Due to social desirability, individuals may under-report those activities perceived to be socially or culturally undesirable. As this research considers sensitive topics like ethical behavior and corruption there is a potential for social desirability to bias the empirical results, especially in regards to the conducted interviews. In addition, there are major difficulties in researching corruption and unethical behavior, due to corruption being virtually covert, as no formal contract is written in order to conceal the identity of partakers (Luo, 2006). This is mainly because it is illegal and considered as a crime in most countries. Consequently, there is a lack of empirical data, making it a difficult research topic (Lindgreen, 2004).

Corruption is known to be present all over the world. The corruption perception index by Transparency International ranks countries based on their perceived levels of corruption (see figure 1 below). The colors range from dark red (most corrupt) to light yellow (less corrupt). The index shows that corruption is more widespread in some countries compared to others. However, it is important to keep in mind that when it comes to corruption there are no absolute truths, just perceptions (Iyer, 2013). Nigel Iyer, who has worked over 20 years with detecting and mitigating corruption in companies, demonstrated this by comparing Nigeria and Norway (Iyer, 2013). Nigeria is perceived to be very corrupt, and Norway pretty corruption free. However, looking at the Gross Domestic product per capita (i.e. per person), which is around 100,000 dollars per person in Norway (more than 60 times bigger than Nigeria), the picture changes. Even though 50 % of the economy in Nigeria is perceived to go to corruption, the absolute cost of corruption per head of population is far less than in Norway.

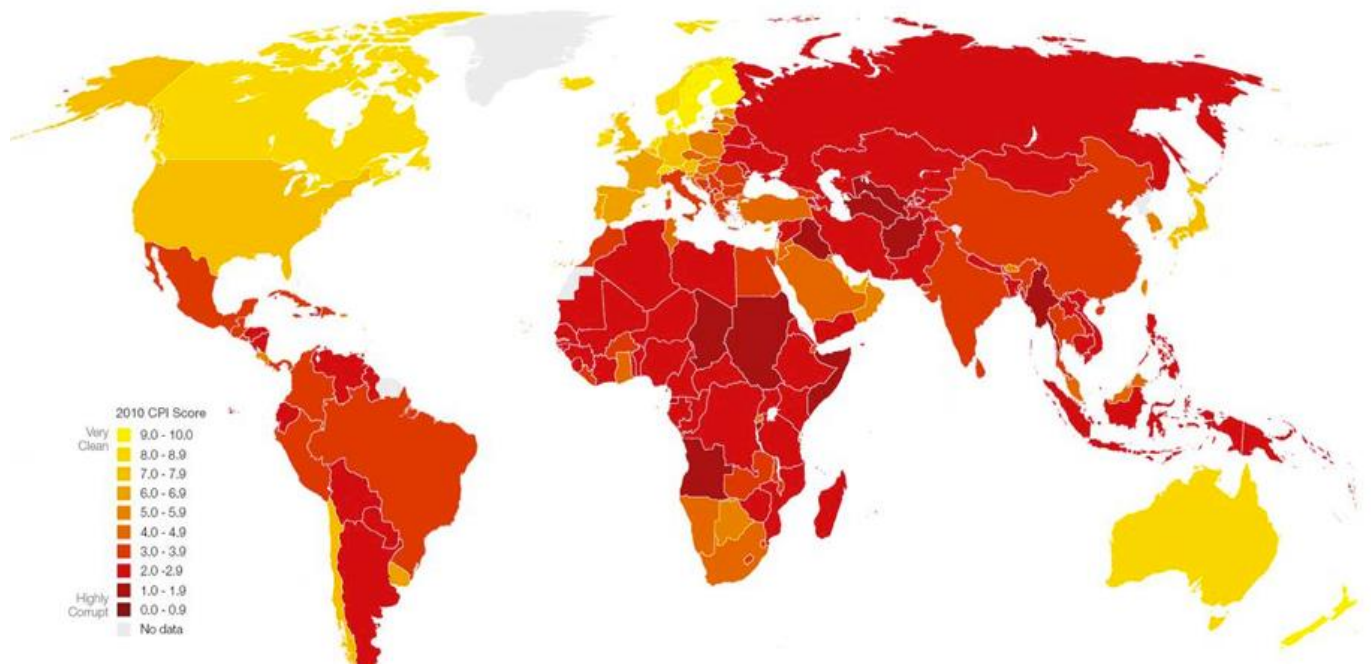


Figure 1: Corruption Perception Index 2013, (TI, 2013)

1.7 Thesis structure

Figure 2 shows how the research questions are linked with the 8 different chapters of this study.

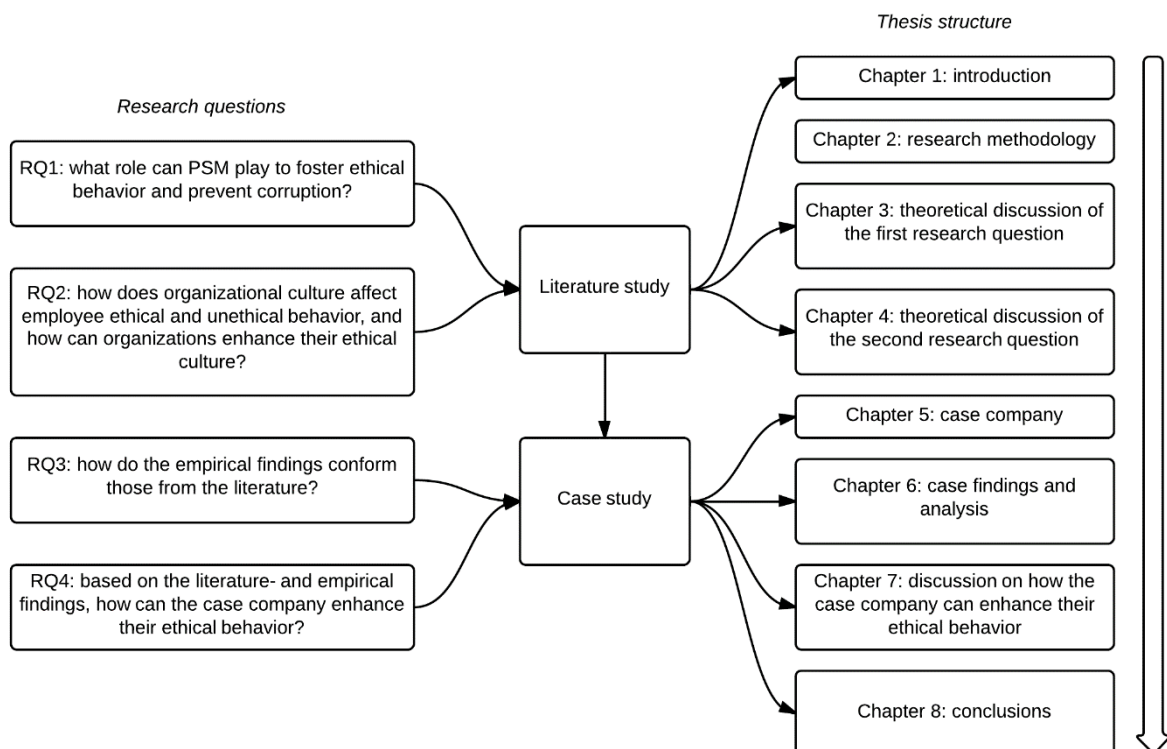


Figure 2: Relationship between research questions and chapters (own figure)

Chapter 1 is the introduction. This chapter describes background and motivation. It also defines the problem statement, research ethics and limitations. Finally, it describes the structure of the thesis.

In chapter 2 research methodology is presented. It considers the role of methodology in terms of how this research has been conducted. As well, it discusses the quality of the results.

Chapter 3 is a theoretical discussion based on the reviewed literature in regards to Purchasing and Supply Management. This chapter aims to answer the first research question. Moreover, this chapter contributes to the theory used for analysis in chapter 6.

Chapter 4 is a theoretical discussion based on the reviewed literature in regards to Organizational Culture. This chapter aims to answer the second research question. Moreover, this chapter contributes to the theory used for analysis in chapter 6.

In chapter 5 the case company is presented. This is a brief introduction before the case findings and analysis are presented in chapter 6. Chapter 5 and 6 aim to answer the third research question

Chapter 7 builds on the two former chapters (5&6) and discusses how the case company can enhance their ethical behavior. This chapter aims to answers the fourth research question. Finally, in chapter 8 the third and fourth research questions are concluded.

1.8 Summary

This chapter introduced the thesis. The aim of this thesis is to provide guidelines for companies on how to foster ethical behavior especially in regards to corruption. The central concepts in this thesis are Purchasing and Supply Management and ethical culture. The chapter also introduced the research methodology and briefly discussed the ethical issues and limitations of the research.

2 Research methodology

Research methodology can be regarded as a set of principles about how to do research. Thus, it describes how the initial research problem has been systematically approached. In other words, the adopted steps of the research and logic behind the selection of the methods and techniques for collecting and analyzing data and establishing relationships (Kothari, 1990).

Wacker (1998) states that there are two major classifications of research: analytical and empirical research. Analytical research serves to develop internally consistent theories through logical analyses while empirical research uses data from external sources (e.g. organizations or businesses) to test if relationships hold in the external world. Analytical research is, conceptual, analytical mathematical, and statistical. Empirical research is experimental, statistical, or case study.

In order for the reader to evaluate the research conducted in this master thesis, the following chapters describes the decisions which have been made with regards to the research methodology.

2.1 Research strategy

According to Yin (2009, p. 24) research strategy/design is the logic that links the data to be collected and the conclusions to be drawn to the initial questions of the study. Thus, the design guides the process of collecting, analyzing, and interpreting the data. One particular research method cannot be answering all types of research questions – and alike, not all research questions can be answered by all research methods (Karlsson, 2009). The aim of designing a research should therefore be to ensure good fit between the research questions asked, the methods applied, and the intended contributions of the study.

Yin (2009) mentions five research strategies; experiment, survey, archival analysis, historical and case study. He proposes that three conditions need to be considered when deciding the proper research method: the form of research question posed, the extent of control over behavioral events the researcher has, and the degree of focus on historical as opposed to contemporary events. Typically, research questions takes one of the following forms; “how”, “why”, “who”, ”what” and “where”. If “how”- or “why” questions are posed, case study, experiment and historical are most suitable. If “who”- or “what” questions are posed surveys or historical is preferred. In terms of the researcher’s degree of control over behavioral events, he/she will have more control and the ability to manipulate behavior directly when doing an experiment as opposed to doing a survey or historical investigation. Finally, researcher must consider whether to focus on contemporary or historical events. He points out that “*the goal is to avoid gross misfits – that is, when you are planning to use one type of method but another is really more advantageous*” (p. 8).

2.1.1 Justification of case study

Farquhar (2012) states “*Case study is particularly suitable for description, explanation and exploratory research*” (p. 8). Case study is preferred when studying a contemporary

phenomenon which cannot be manipulated easily (Yin, 2009). The case study allows data collection over time from various sources through documents, observation, and interviews. A case study is often used to explain real life happenings which are too complex for a questionnaire or experiment. Historical investigations are preferred when the researcher has no control over behavioral events. When the researcher can manipulate the events directly, precisely and systematically experiments are preferred.

Table 1: Three conditions for determining the appropriate type of research method (adapted from Yin (2009, p. 8))

| Method | Form of Research Question? | Requires Control of Behavioral Events? | Focuses on Contemporary Events? |
|--------------------|----------------------------|--|---------------------------------|
| Experiments | How, why? | yes | yes |
| History | How, why? | no | no |
| Case study | How, why? | no | yes |

The research questions of this thesis are “how”-questions. The researcher has almost no control of the events taking place, and the focus is on contemporary events. Thus, case study is the chosen research method for this master thesis.

2.1.2 Case study design

Yin (2009) proposes four types of case study designs. One distinction is made between single and multiple case designs (i.e. number of cases studied), and another between holistic and embedded analysis (Figure 3).

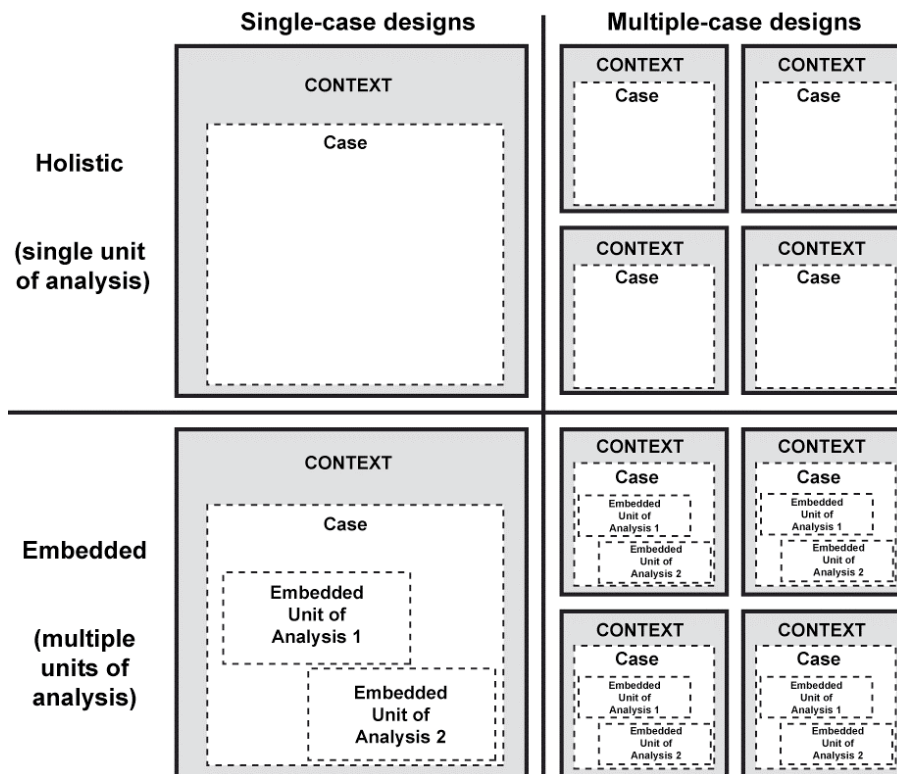


Figure 3: Types of case research design (Adapted from Yin, 2009)

By adopting the classification from Yin (2009) this study can be considered *single-case*. One rationale for using *single case* is when the case is revelatory (Yin, 2009). This situation exists when a researcher has the opportunity to observe and analyze a phenomenon previously inaccessible. In other words, when the case allows investigation of a phenomenon that is unique and rarely accessible to researchers.

To make the decision of *holistic* or *embedded* case, it has to be determined whether several units of a larger case are being studied or a single unit in one case. According to Yin (2009) the holistic approach is most suitable when sub-units cannot be identified. Further, the single-embedded approach is appropriate when a single or several units are clearly identified. When deciding between the two designs one should consider the following aspects; available time and resources for data collection, and accessibility of data.

It is argued that this research is a single case with holistic view since the overall perspective regarding the whole case company is studied. Due to the amount of time and sources of data available, it was given access to one ‘division’ of the company - the purchasing units. However, as shown in chapter 4 the case company has three main business units with their own respective purchasing units. Each representative from the three purchasing units could be regarded as a single unit, but they are very co-related making it difficult to divide them into individual units of analysis. In sum, the chosen design is *single-case holistic* which made it possible to map the perspectives of the purchasers in regards to organizational culture and ethical behavior.

2.2 Case study – pros and cons

This chapter presents the advantages and disadvantages of case study as a research method. The main argument against case studies has been that they provide little basis for scientific generalization (Yin, 1994). Weick (1969) as cited in Dubois and Gadde (2002) expressed that case studies are too situation-specific and, therefore, not appropriate for generalization. However, in a later study he concluded that case study is a better research method than first imagined. The reason for this change of attitude to case studies was an evolving insight that results are unstable over time. In accordance with Cronbach (1975) cited in Dubois and Gadde (2002) and Weick (1969) cited in Dubois and Gadde (2002) recommends that researchers should make interpretations according to the specific situation. The interaction between a phenomenon and its context is best understood with an in-depth case study (Dubois and Gadde, 2002).

However, even though a certain method is considered appropriate, it is not sufficient to qualify it as a scientific approach. Yin (1994) as cited in Dubois and Gadde (2002) is critical of some case study researchers, in which he means that case study researchers are too often sloppy and allow equivocal evidence on biased views to influence the direction of the findings and conclusions.

Dubois and Gadde (2002) identify two types of disadvantages with case study research. Firstly, some case studies are simply rich descriptions where it is expected that the reader has to make their own conclusions. Secondly, in some case studies findings are presented in a biased manner in order to support certain theories or frameworks. Investing in theory can improve the credibility of the case study.

As theory is critical to case study as a research method it is chosen to take basis in Dubois and Gadde's (2002) systematic combining as a possible solution to deal with the critics. In the next chapter *systematic combining*, and how it is used in this thesis is presented.

2.3 Systematic combining

With the justification for choosing case study research established, this section describes the research approach.

An important aspect of reporting on any research is how the arguments are built (Karlsson, 2009). The most common sets of logic are induction and deduction. Induction approaches rely on 'grounded theory' where theory is systematically generated from data, while deductive approaches are concerned with developing propositions from current theory and making the testable in the real world (Dubois and Gadde, 2002). There is as well a third approach – abductive reasoning, which is also known as systematic combining. Systematic combining is a process where “(...) *the research issues and the analytical framework are successively reoriented when they are confronted with the empirical world*” (Dubois and Gadde, 2002, p. 554). The abductive approach is more about refining existing theories than inventing new ones. This is done when research successively modify original frameworks based on unanticipated empirical findings and theoretical insights (Dubois and Gadde, 2002).

A key characteristic of the abductive approach is that theory is built simultaneously to data collection, making it necessary move back and forth between the empirical world and the model world. This process is illustrated in figure 4 below.

The abductive approach can be combined with the single case study research strategy (Dubois and Gadde, 2002). Dubois and Gadde (2002) observed that in some case studies the original phenomenon of study was reconsidered, due to the new insights in the literature or real world.

Abductive research starts with a real-life phenomenon where the researcher initiates a creative iterative process of *systematic combining* or ‘theory matching’ in an attempt to find a possible matching framework or to extend theory (Spens and Kovács, 2006). Systematic combining has two main processes, matching theory and reality, and direction and redirection as a consequence by the former (Dubois and Gadde, 2002). “*These processes affect, and are affected, by four factors: what is going on in reality, available theories, the case that gradually evolves, and the analytical framework*” (Dubois and Gadde, 2002, p. 554).

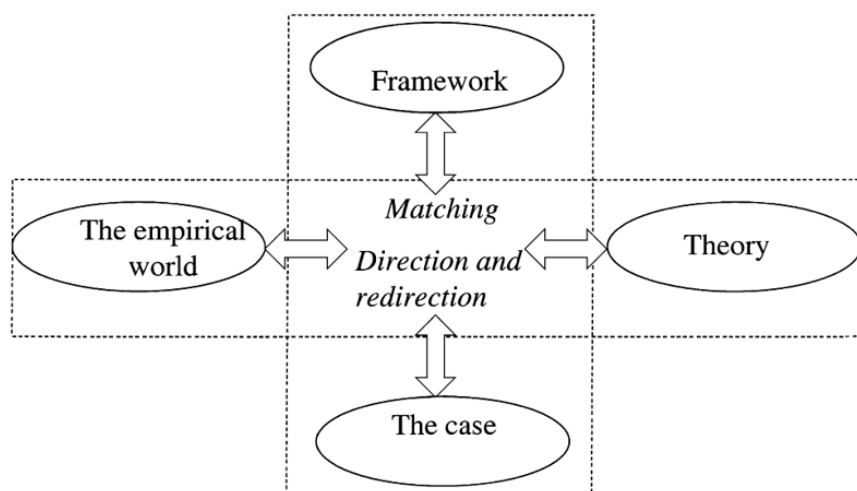


Figure 4: Systematic Combining (Adopted from Dubois and Gadde, 2002)

Systematic combining is helpful for researchers that focus on discovering new things, in terms of other variables or relationships than addressed in previous literature (Dubois and Gadde, 2002). Seeing theory from PSM in the context of increasing ethical behavior fit well with the feature of the systematic combining framework. As well, the main objective of this thesis is theory development, as opposed to theory generation. This thesis seeks to identify new insights that can be applied to confront the already established theoretical models, and through empirical findings find new combinations or connections that can be applied to the models.

2.4 Systematic combining in this research

This chapter gives a description of how systematic combining was utilized during the research process.

Step 1: The point of departure was theory. A research project conducted during the autumn semester 2013 was used as a starting point for theory. After meeting the HR-Director of Ulstein

Group ASA during a seminar on Green Value Creation at NTNU, it was decided to use Ulstein Group ASA as a case company for the research. Further, a preliminary problem statement of the thesis was defined with the supervisors.

Step 2: After initial meetings with supervisors and representatives from Ulstein Group ASA. Meetings and informal discussions were important in this step of the process. Ulstein had a wish to focus on compliance especially in regard to their purchasing activities. This led to a slight change of the problem statement. In regards to the research were designed and a case study protocol was developed.

Step 3: Research questions were developed in order to answer the problem statement and scope the research.

Step 4: An in-depth literature review was conducted in regards to the research problem statement and research methodology.

Step 5: The theoretical insight increased and small changes to the scope, problem statement, research questions, and title were done. Along with the case study protocol, a framework was developed to guide data collection; in particular interviews were developed and adapted as the theoretical and empirical insight increased.

Step 6: The empirical insight increased as interviews with three purchasing managers of Ulstein Group were conducted.

Step 7: As a result of the empirical data collection the framework was further adapted to fit the real world.

Step 8: The data gathered through interviews and observations was analyzed by taking basis in the aforementioned framework.

It should be mentioned that formal and informal meetings with other researchers and employees of the case company at times created a sense of confusion while working with the framework. The case company had their wishes, while the supervisors had their own preferences due to their academic background. Hence, it was attempted in a best possible way to unite all interests in regards to the available resources and time.

The aforementioned procedure allowed continuous editing and adaptation of the framework as both the theoretical and empirical insight increased. Empirical observations of the case company resulted in unforeseen findings that did not match with the theory. This led to changes in the framework. The chosen research methodology allowed adaptation and triangulation of data, which enabled a better fit between theory, empirical world, the case study, and the framework.

2.5 Data collection and analysis

This section describe how the case study was conducted in terms of data collection and analysis methods.

2.5.1 Data collection

The evidence of the case study may come from different sources by employing different collection procedures (Yin, 2009).

Close contact with the company administration before and during the research process enabled in-depth knowledge of the company and its operations. In total there were two meetings with the case company, and one external network meeting. The first visit was an important part of the process as ideas and challenges regarding the thesis and topic were discussed. During the initial meeting key informants were also identified. It also opened the possibility to use multiple data sources for triangulation. The interaction with the company and its employees included:

- formal and informal meetings and conversations;
- access to internal data (i.e. strategy, annual report, purchasing processes etc.);
- facility tour as a part of the first meeting;
- participation at a compliance network meeting with several companies;
- interviews with three purchasing managers during the third meeting.

All data was documented and archived in a case study database. Each type of data collection method used in this study is described in detail in the following sections.

Interviews

The literature discusses different approaches to structure an interview (Denscombe, 1998). The approaches are structured interviews, semi-structured interviews, and unstructured interviews. Each approach serves a specific purpose. For this research semi-structured interviews were chosen. The semi-structured interview guide provides a clear set of instructions for interviewer and can provide reliable, comparable qualitative data (Cohen and Crabtree, 2006). As well, it enables the researcher to follow-up on topical trajectories during the interviews that may stray from the initial interview guide.

Through a literature review and meeting with supervisors an interview guide was developed (See Appendix A). The guide contained important information that would be communicated to the participants prior to the interviews (e.g. recording of interviews for analysis purposes). Such information was also emailed to the participants one week before the interviews. Additionally, the interview guide contains a list of questions and topics that should be covered during the interview. Finally, prior to each interview a rough presentation of the interview guide was done to allow the participants to raise any concerns or questions.

In total, three in depth semi-structured interviews were conducted as a part of the case study to get insight into Ulstein's ethical culture. The interviews were conducted face-to-face for a more accurate data collection and to avoid misunderstandings. For analysis purposes all the interviews were recorded and transcribed (See Appendix B).

Documents

Documents were used to get an understanding of how the Ulstein Group do business, and which position they have in the maritime industry. Documents were given by the company, as well as collected from their own websites.

Observations

Observations mostly took place during the initial visit to the company, and during a compliance network meeting with several companies present. The purpose was to become familiar with the company's work with compliance and anti-corruption. Observations were accompanied by notes.

2.5.2 Data analysis

Yin (2009) describes data analysis as examining, categorizing, tabulating, testing or otherwise recombining evidence in order to draw conclusions from empirical data. In other words, the process of data analysis involves making sense out of the collected data.

The analysis in chapter 6 was conducted through application of the theoretical framework developed in chapter 4. The basis for analysis was the conducted interviews. As a first step of the analysis, raw data was described in order to give an objective presentation of the interview findings. To provide a structure for the raw data the different virtues of the CEV model was used. A simple coding system with key-words was developed to guide this categorization (Table 2).

Table 2: Coding process (Own table)

| Category | Code/keywords | Example of findings |
|----------------|--|--|
| Clarity | Standard; expectation; familiar; guideline(s); manual; book; law; rules. | <i>“Our work is based on the employee manual”</i> <i>“There are benefits of having a standard, and if you bump into some future case, may it could be with a customer or supplier where you involuntarily get involved, then it's as you are slightly clearer of suspicion when one has been through it.”</i> |

Coding is a common method used to analyze qualitative data. The researcher is well aware that the analysis in this research could have been more thorough and comprehensive, with more complex coding systems. However, this could have decreased the level of subjectivity in the analysis.

In some cases the codes/keywords were implicit in the participant statement. For example, *“the purchasers are quite familiar with them”* where *them* refers to the ethical guidelines. Without further explanation this sentence could be confusing for the reader. Due to this, it was decided to make use of parentheses to make it clear to the reader what the participant was referring to

(e.g. “*the purchasers are quite familiar with them (ethical guidelines)*”). In other cases brackets were used to make it clear for the reader who or what the participant was referring to. For example: “[my subordinates] *know that if they feel that they are operating on the boarder they have to clear things with me*”.

In the second part of the analysis, previously categorized raw data was discussed in relation to the Strategic Supply Wheel model (SWM) elements. This was in order to discuss practical implications of theoretical considerations.

2.6 Reflections on research quality

According to Yin (2009) the quality of a research can be determined by four tests (see Table 3). Each of these tests are described and applied to evaluate the quality of this research. It also deals with challenges and what could have been done differently during the research process. In the following sections we discuss each of the tests in regards to this study.

Table 3: Case study tactics (Adopted from Yin, 1994)

| Tests | Case Study Tactic | Phase of research in which tactic occurs |
|---------------------------|---|--|
| Construct validity | -use multiple sources of evidence -establish a chain of evidence -have key informants review draft of case study report | data collection data collection composition |
| Internal validity | -do pattern matching -do explanation building -address rival explanations -use logic models | data analysis data analysis data analysis data analysis |
| External validity | -use theory in single-case studies | |
| Reliability | -use case study protocol -develop a case study database | data collection data collection |

2.6.1 Validity

Validity is concerned with the fact that the research method used is actually relevant for the problem formulation (Yin, 2009). One can further distinguish between construct- and internal/external validity.

Construct validity involves the operational measures that are used and if they are actually representing the concept being studied (Yin, 2009). Yin recommends using multiple sources of evidence to ensure construct validity. In this study, the main source of evidence was interviews. The interviews enabled in-depth exploration of the relevant topics. In addition, documents and observations were used as sources of evidence to support findings.

Another strategy recommended by Yin is to maintain a chain of evidence. This is in order to ensure a logical link between the initial research questions and the case study conclusions. This strategy was adopted in this study by using systematic combination (ref. chapter 3.3.4) along with explicit citations to the original sources when presenting the empirical data.

Internal validity in quantitative research is concerned with the ability to separate actual relationships between two or more constructs from spurious relationships (Yin, 2009). In regards to analyzing the collected data it is advised to see whether different patterns match, address rival explanations, and make use of logical models. In the analysis the empirical data is connected to theory. As well, information from the different sources was compared. It could have been put more effort to address rival explanations from the different sources. In addition, logical models were combined and used to analyze Ulstein in a structured manner. And finally, data tables were developed to demonstrate the internal consistency of collected theory and empirical data.

External validity is the generalizability of the study's findings (Yin, 2009). According to Yin (1994, p. 36) through analytical generalization the researcher is trying to generalize a certain set of results to some broader theory. In regards to this, it is advised to use theory in single-case study and similar design in multiple-case study. This thesis is a single-case study, and it was used to connect empirical findings to theory in the analysis. The same interview design was applied for each interview to secure a best possible basis for comparison. The selected participants to the interview had broad experience and background in strategic purchasing and sourcing both internationally and nationally. As well, they have experience from different industries. But due to only conducting 3 interviews for data collection the external validity is lowered. However, it is important to state that the interviews were semi-structured and allowed in-depth exploration of relevant topics. A more extensive analysis could have been carried out by for example interviewing some suppliers of Ulstein. However, due to the available time and resources this was not possible.

2.6.2 Reliability

Reliability is also known as replicability, meaning a repetition using the same method must necessarily lead to the same results (Yin, 2009). To ensure reliability it is important to document all the steps that are taken during the research process. Yin recommends developing a case study protocol. This study was to a large degree guided by the case study protocol and framework that was made during the early steps of the research process. The protocol contained background and overviews of the project, as well as interview procedures. It also outlined procedures to be followed by the researcher in regards to ethics (i.e. confidentiality). A database for data collection was also developed. The database provides a scope of all relevant documents and evidences used (e.g. interview transcripts). The database allowed cross checking between the original data and results from the analysis. Finally, the supervisors of this thesis have followed the whole process which is believed to contribute positively to reliability.

2.6.3 Comments

In regards to what could have been done differently during the research process, was to review the literature from more perspectives to increase insight and understanding. Closer contact with Ulstein, through including more people and conducting follow-up interviews, could have contributed to better insight and understanding in regards to their work with compliance and anti-corruption. This could have led to more specific recommendations for how companies may enhance their ethical behavior.

2.7 Summary

This chapter presented the research methodology applied in this study. Further, the choice of case study as the most suitable research study was justified. Moreover, systematic combining was introduced. Next, the data collection process and analysis were presented and finally reflections on research quality were presented.

3 Theoretical discussion of the first research question

The purpose of this chapter is to answer the first research question and address relevant literature that can be used to guide the empirical data gathering. Furthermore, this chapter stands as a basis to compare and discuss theory with practice.

The two first parts of this chapter presents business ethics and corruption and how they relate to each other. In chapter 3.3 Purchasing and Supply Management is introduced along with a model that will be used for further analysis. The model is used to identify relevant measures companies can take to prevent corruption in their purchasing activities. In chapter 3.4 the conclusion on the first research question is presented.

3.1 Business ethics

Ethics are concerned with many areas. Individual beliefs are perhaps the most important, but as well human rights, social policy, environmentalism, international and community developments have also been discussed in the literature. This thesis does not aim have a thorough discussion of “what is” business ethics, but a brief introduction to the views in the literature is given. This is in order to provide a context for the thesis.

According to Kraut (2014) “*we study ethics in order to improve our lives, and therefore its principal concern is the nature of human well-being.*” Falkenberg (2010) follows this tradition, and suggests that the purpose of ethics can be stated as “promoting flourishing lives,” or as Aristotle wrote in Eudamian Ethics: “*correct actions lead to the greater well-being of the humans immediately connected to the (human) agent.*” (As cited in Falkenberg 2010).

Business ethics can be described as behavior deemed as fair and just, including – and above and beyond – laws and regulations (Steiner, 1971 as cited in Mitchel et al., 1996, p. 439). For some this suggests that “any behavior not legal is by definition unethical”. However, unethical encompasses more than illegal. Loucks (1987, p. 2) further suggests that ethics is seen as something beyond obedience and adherence to the law. This implies an understanding of what is the good, or right, thing to do and of an internal system of beliefs and values that guide those actions. While there seem to be an agreement that ethics is more than just obeying the law, it is less apparent what is ethical behavior in organizations (Solomon, 1992). According to Mitchel et al. (1996, p. 440-441) there are numerous discussion on whether ethics are situation specific. As well, there are discussions on unique situations involving ethics that may be encountered in a business setting.

The extent to which organizations deal with ethics can obviously vary. Rossouw and Vuuren (2003) suggest the Modes of Managing Morality (MMM) model which describes organizations preferred strategies for managing ethics. The authors argue that. “*Corporation ethical decisions are the outcomes of complicated group dynamic processes in which individual members of the organization participate.*” (p. 390). By this they propose that decisions and actions do not emanate from a collective- personality, mind, or moral state of development, but rather “*from a group dynamic process in which individuals with different personalities, minds and levels of moral development participate*” (p.390). The MMM model as presented in Table 4 consists of

the modes of (1) immorality, (2) reactivity, (3) compliance, (4) integrity, and (5) total alignment. Further, each of the modes are described in terms of (1) its nature, (2) primary purpose, (3) predominant strategy, and (4) typical challenges.

The typical challenges which may occur within each mode provides an explanation for the change in mode of managing ethics that typically occur within organizations over time (Rossouw and Vuuren, 2003). The challenges arise when organizations sense that they may have exhausted a specific mode's potential for managing ethics. These can then serve as a catalyst to overcome factors of inactivity and provide drive for organizations to either operate within a new and more advanced mode of ethics management, or even revert to a foregoing mode. The latter can occur when the previous mode is perceived to provide a comfort zone of familiarity in dealing with (or ignoring) ethical issues. Consequently, a mode may in turn produce its own destruction when challenges force the organization into another mode of managing ethics.

Table 4: The modes of managing morality model (Adopted from Rossouw and Vuuren, 2003)

| Dimensions of comparison | Immoral mode | Reactive mode | Compliance mode | Integrity mode | Totally Aligned Organization (TAO) Mode |
|-----------------------------------|--|--|---|---|--|
| Nature | Unethical conduct is good business | Token gesture of ethical interest is shown (a code of ethics) | Commitment to manage and monitor ethics performance | Internalization of ethical values and standards | Seamless integration of ethics in corporate purpose, strategy and operations |
| | The business of business is business, and not ethics | Unethical behavior is ignored and remain unpunished | Rule-based approach to ethics | Value-based approach to ethics | Non-negotiable morally responsible interaction with stakeholders |
| | | | Disciplining unethical behavior | Internal locus of (ethics) control; “walking the ethics ‘talk’” | Non-negotiable morally responsible interaction with stakeholders |
| Purpose | Ethics has no place in the singular pursuit of the bottom line | Protection against dangers of unethical behavior | Prevention of unethical behavior | Raising level of corporate ethical performance | Ethics reinforced as a part of culture and purpose |
| | Unethical behavior espoused as good business | Sceptics and critics are silenced (temporarily) by the existence of ethics standards | Desire to have good ethical reputation | Pro-active promotion of ethical behavior | Ethics entrenched in discourse and decision-making |
| | | | | Ethics of strategic importance or a competitive edge | |
| Ethics management strategy | A Machiavellian orientation exists that denies the need | <i>Laissez-faire</i> ethics management | Transactional approach to managing ethics | Transformational approach to managing ethics | Everyone responsible for ethics management |

| | | | | | |
|---------------------------------|--|---|--|--|--|
| | to make decisions concerning ethics | | | | |
| | No concerns for stakeholders | Inability to manage ethics | Code clear and comprehensive & corporate ethics management function exists | Stakeholder engagement | Ethics function/office serves as “rudder” |
| Dimensions of comparison | Immoral mode | Reactive mode | Compliance mode | Integrity mode | Totally Aligned Organization (TAO) Mode |
| | No ethics management strategy or interventions | Corporate (ethical) values are words on paper | Ethics management systems used | Ethics “talk” prevails | Ethical heroes celebrated, ethics stories told |
| | | | Unethical behavior punished | Managers have an ethics competence | Elimination of discrepancies between corporate values and behavior |
| Challenges | Financial consequences of immorality becomes unaffordable | Credibility problems with stakeholders | Mentality of “what is not forbidden is allowed” | Discretion granted is abused | Ethical complacency/arrogance; moral laxness |
| | Increased dissonance between personal and corporate values | Stakeholders convey frustrated expectations | Proliferation of ethical rules and guidelines | Powerful leaders undermine ethics drive | Lack of coordination in managing ethics |
| | Stakeholders experience alienation | Corporate ethical reputation below par | Employees disempowered to use ethical discretion | Lack of clear corporate identify undermines integrity mode | |

3.2 Corruption

To understand why the corruption is an ethical issue for business one needs to understand why corruption often appears to be a value-maximizing strategy (Rose-Ackerman, 2002).

Conventionally, corruption is seen as *“the misuse of public office for private gain”* (World Bank). This definition covers the interaction between public and private sectors. However, corruption is not solely a public phenomenon, as it can also exist within and between the private businesses sector (private-to-private) without any public office being involved. Transparency International has defined corruption as *“the abuse of entrusted power for private gain”*, which also covers corrupt acts in the private sector. In general, the literature distinguishes between “private-to-private” and “private-to-public” corruption (Argandoña, 2003). *Private-to-private corruption* occurs between individuals in private companies. *Private-to-public corruption* occurs between public officials and individuals in private companies. Rose-Ackerman (1999) considers corruption as a payment, in money or kind that involves a reciprocal obligation which induces the unethical behavior of the person being bribed. She suggests that corruption arises when *“some third person, who can benefit by the agents actions, seeks to influence the agent’s decision by offering him a monetary payment which is not passed to the principal”*.

A wide range of acts is implied within these definitions. Corruption can include “bribery”, or “embezzlement” (Klitgaard, 1998), “treason” or “conflicts of interest”, “nepotism” or “rent seeking”, “bid-rigging” or “gift giving” (GC, 2013b). The most common form of corruption is bribery, which can be defined as *“offer of money or favors to influence a public official”* or *“the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal or a breach of trust”* (TI, 2013). For example, Argandoña (2003, pp. 257–258), suggests that private-to-public corruption involves everything from “bribery” to, simply, “ingenuous acts”.

But why do companies pay bribes? According to Rose-Ackerman (2002, pp. 1890) companies pay bribes in order to gain favored treatment on contracts, concessions, and privatization deals. The benefits may consist of the actual award of the contract or inside information that makes their bid more likely to succeed. Firms also pay to affect the terms of contracts and the future regulatory environment.

Corruption can be described to range between two poles of involvement – active corrupt behavior and passive corrupt behavior. The former means that employees engage actively in corruption as perpetrators or accomplices (Campbell and Göritz, 2013). Examples of such behavior are offering bribes and doing bank transfers for bribes. The latter means that even though employees are not actively engaged in corruption, they tolerate the corruption as silent observers (i.e. avoiding whistleblowing when witnessing corruption).

There is an important distinction between grand corruption *“involving substantial amounts of money and often high-level officials”* and petty corruption *“involving smaller amounts of money and typically junior level officials”*. Laws, regulations and norms of what is considered as corruption can differ across borders. Søreide (2004) claims that in many cases the involved

persons typically defend the practices as not being corrupt. She suggests there are three areas where the judicial status is unclear, and regard them as *grey zones* (Figure 5):

1. *Facilitation payments*, or smaller bribes paid get things done. The defense of facilitation payment is often based on a lack of bargaining power.
2. *Marketing* targeted at specific individuals, where expensive gifts and excursions are offered to encourage informal relations with the potential client. Many firms claim this kind of marketing to be essential.
3. *Political pressure*, for instance in the form of subsidies, export-credit deals or aid, sometimes also presented as threats of political sanctions.

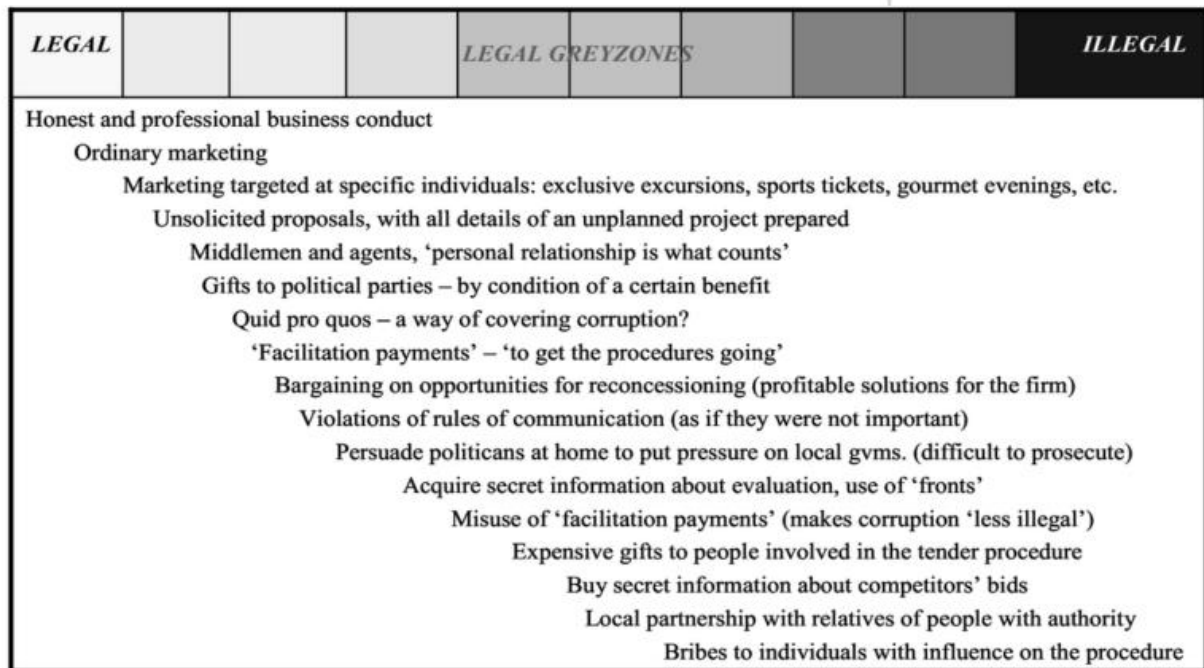


Figure 5: Legal Greyzones (Søreide (2006) as presented in Carson (2013))

3.2.1 Summary

The purpose of chapter 3.1 was to provide underlying theory in order to set the context for the thesis. Business ethics was introduced as an understanding of what is ethical (right) or unethical (wrong). In the literature, there seem to be a common understanding of ethics as something more than obeying laws and regulations. However, there is no common agreement of what is ethical behavior in organizations. Further, the Modes of Managing Morality (MMM) model by Rossouw' and Vuuren (2002) was introduced. This model describes organizations preferred strategies for managing ethics. Finally, corruption and it's relation to business ethics was introduced.

3.3 Purchasing and Supply Management

In the first part of this section the Strategic Supply Wheel model (SWM) by Cousins (2002) is introduced. This is in order to understand Purchasing and Supply Management and its strategic elements. Further, the model is used to structure the literature review and present elements that are important for a company to consider when mitigating corruption risk.

3.3.1 Strategic Supply Wheel model

The SWM is presented as a framework for considering strategic elements of companies and the relationship between them (Cousins, 2002). The model can be used to analyze organizational behavior and preferences when they approach the need for strategic sourcing and supply management and planning of such an approach in practice. Further, the model and its related elements will be explained. The model shows how the strategic elements of a company are connected and how the change in one element can trigger change in other elements. Thus, it is important to consider all the elements in relation to each other. Figure 4 illustrates the SWM.



Figure 6: Strategic Supply Wheel (Adopted from Cousins, 2002)

The main point of the Strategic Supply Wheel model is to ensure that the most appropriate strategy is balanced against the other elements within the model. Therefore, if a company decides to change one element, they will need to change (or allow a change) in the other elements within the model. The model and its related elements have to be in balance, and to achieve this they need to change accordingly in relation to each other. The model can be used as a framework to show where an organization is (strategic analysis) and where the organization wants to be (strategic choice). Possible discrepancies can be revealed, various elements of the

model can be viewed in relation together, and the strategy can be implemented. Cousins et al. (2008) refers to specific models for each of the SWM's elements. They will be described in more detail below.

The model shows that the level of competencies, performance measures etc., has to be fitted to the Corporate and Supply Strategy central in the model. Ranking and classification of the elements is needed because strategic performance is limited by the lowest level in the model. One example is if the skills and competencies of purchasing only can perform on a tactical level, the company is in turn confined to this level. This applies to all related elements of the SWM. Consequently all strategies should be considered in relation to each elements. (Cousins et al., 2008).

Corporate and Supply Strategy is the center and most important element of the SWM. The five other related elements are connected on the outside to align with the strategic decisions made in the center. Below each element is presented briefly:

3.3.2 Corporate and Supply Strategy

The element of Corporate and Supply Strategy “deals with the alignment of company’s corporate and supply policies and the subsequent formulation of Corporate and Supply Strategy” (Cousins et al., 2008, p. 95). It is vital that the company’s policy must be communicated throughout the supply process. It is the central hub of the supply wheel, and sets the scene for the related elements. Cousins argues that it is important that any changes to corporate strategy are communicated and discussed with the supply chain function. In other words, the Corporate and Supply Strategy must fit together with the company’s policy.

3.3.3 Skills and competencies

No matter how logic and innovative a strategy is, it’s implementation and execution will depend upon the workers capabilities. There will always be a variety of skills and competencies within a firm. Some are more basic and tactical of nature, while others are more sophisticated and strategic. The type of capability needed, depends on how the supply activities are organized. According to Cousins et al. (2008) people who have been trained for traditional purchasing may find it hard to deal with radical challenges and new perspectives.

3.3.4 Organizational Structure

There are three basic types of Organizational Structures: centralized, decentralized, and hybrid structures. Centralized structure means that the organization is run centrally and that departments do not have the power to decide for themselves. Advantages of this structure include economies of scale, standardization, dissemination of policy, and financial control. Disadvantages may be infringement of the functions outside the central organization, lost opportunities, and high fixed costs. Decentralized structure means that business units have control over daily operations and routines. Benefits include independence, diversity, local adaptations, combined agreements and competition between departments. Disadvantages can be cost discrepancy, lack of knowledge, lack of financial control, and secret local agreements. Hybrid systems combine the advantages of centralized structure and the possibility to local

adaptations. The structure of an organization influences the choice of strategy and how successful that strategy will be (Cousins et al, 2008).

3.3.5 Performance measures

The traditional argument is that you cannot control what you cannot measure (Cousins, 2008). He argues that argue that performance measurements are the driving force of an organization. Performance measurement ensures that both internal and external elements of organization are connected and therefore has implications for how the strategy is executed. Performance Measurements can be used both as a signal and an incentive system to make the organization to work in a certain way. It is important that the organization uses the correct measurements in order to achieve maximum benefit from the chosen strategy. Developing a performance measurement system requires top management commitment. The top management must ensure that the employees understands “what and why” is being measured. They should also emphasize the link between incentives and remuneration. The measurements can be internal or external, and rational or effective. Rational represents the relationship between planned and actual resource use, while effective describes the degree to which a goal can be achieved, given a particular set of events (Cousins et al., 2008).

3.3.6 Total Cost/benefit Analysis

This element is focused on the issue of balancing costs, benefits and relationship strategies within the supply chain. For instance, if a firm would like to outsource elements of its business it must clearly understand the supply implications. The nature of this element is that organizations must understand the cost of running a business. It assumes that the motivation for running a business is to earn as much money as possible. If an organization wants to implement changes they should consider the cost/benefit balance. The costs and benefits have to be connected with the strategy and the other elements in the model (Cousins et al., 2008).

3.3.7 Portfolio of Relationships

This element is concerned with the different relationships a company has. Relationships between buyer and supplier should be focused on delivering a desired business outcome (Cousins et al., 2008). Many researchers claim that there are traditional relationships that are transaction based and more advanced relationships based on cooperation that are more strategic of nature.

Cousin et.al. (2008) states that relationships are operational processes. All processes must deliver a result that adds value. It is important that the relationship fits together with the desired result. If the result is simple, one can have a simple connection, but if the result is complex, it requires a complex combination with a high degree of cooperation. With regard to the result, organizations can decide which relationships they will need and shape the procedures and strategies that support this process. The various results of the relationships have to be supported by the other elements in the model. If complex results require complex compound processes, it is likely that this will require highly skilled workers and measurement systems that focus on efficiency rather than rationality (Cousins et al, 2008). Thus, relationship strategies need to be thought trough and managed over time.

Intra firm relationships are concerned with how the company manages itself. Cousin et al. states: “*The management of inter-firm relationships is complex; it is not sufficient to simply set up and agreement: action plans need to be followed to instigate change.*” (2008, p. 188). He argues that relationship management should not begin with changing the way a firm manages its suppliers, it should start with how it manages itself.

3.3.8 How is the SWM used further?

The SWM is important for the further course of this master thesis. Firstly, it is used as a model to connect theory about corruption risk mitigation and ethical culture to the various elements of the model. This is in order to show how the SWM elements relate and affect each other in regards to corruption risk mitigation and ethical culture. The purpose of this is to understand which elements should be considered and how they should be balanced, in order to enhance ethical behavior in an organization. Secondly, the SWM structures the following literature review on corruption prevention in an organization.

Organizational Structure, and Corporate and Supply Strategy

When it comes to Organizational Structure, Cousins states: “it must change to adapt to the requirements of the organization” (2008, p. 142). Corporate and Supply Strategy is the central hub of the supply wheel and sets the scene for the related elements. He argues that it is important that any changes to corporate strategy are communicated and discussed with the supply chain function. This is in order to avoid strategic misalignment.

A successful anti-corruption program must start with a clear commitment from senior management (PWC, 2008). Argandoña states “It should be very clear at all times who is in control and who bears responsibility in areas of activity where there is any possibility of corruption: contracts, authorizations, etc. In some cases it may be worth pushing ultimate responsibility up to the very highest levels in the organization.” (2003, p. 12). The company’s determination to prevent corruption should be incorporated in the strategy preparation process (Argandoña, 2003). In order to design an effective anti-corruption program companies must do a risk analysis of their business (PWC, 2008). A risk analysis should include countries of operations and the types of businesses being conducted.

Companies often have codes of ethics to guide their managers and employees. Having a code of conduct does not by itself create ethical behavior (Saini, 2010). This view is supported by Rossouw and van Vuuren (2003) who states that “*mere existence of a code of ethics does not guarantee ethical behavior, nor provide the context for moral discourse...*” (p. 396). Wood (1995) argues that this is because codes of ethics represent aspirations rather than actions. For a code to influence actual behavior, it must be supported by Organizational Structures and policies (Ashforth and Anand, 2003). PWC (2008) states that in order to implement an anti-corruption program companies must have a continuous communication program, training, and adjustment of internal processes in order to ensure that they run according to their anti-corruption policy. Rose-Ackerman (2002) argues that top managers and directors need to establish clear and well-enforced corporate guidelines and policies against corruption rather than rely on the personal morality of employees. Furthermore, it is important that the top

management is perceived as ethical. Ashforth and Anand (2003) argue that top management must make clear choices (independent of conventional practices or temptations) and communicate them across the organization.

Performance measurement

The traditional argument is that you cannot control what you cannot measure (Cousins, 2008). He warns that focusing entirely on price performance may be counterproductive. Purchasing managers are often measured solely based on cost savings. In addition they often lack proper resources to assess and ensure that suppliers comply with ethical standards (Harwood and Humby, 2008; Maignan et al., 2002)

PWC (2008) states that *“even the strictest guidelines will eventually be ignored unless there is a penalty for not following them”* (p. 17). Companies should have a fair and open sanction system in place, so there is no doubt which behavior will be sanctioned and which behavior will be rewarded. Developing a performance measurement system requires top management commitment (Cousins et al., 2008). The top management must ensure that the employees understands “what and why” is being measured.

Having a proper performance measurement system in place, that measures ethical performance, can act as an incentive for individuals to become ethically conscious. The behavior that is rewarded will in turn influence purchasing people (Wood, 1995). Monitoring behavior rather in addition to economic results may create fewer incentives for corruption to take place (Anand et al, 2004). The understanding of what is considered ethical and acceptable behavior can change over time (Carter, 2000). Thus, it is also important to assess the whether actions of purchasing personnel are ethical or not. As well, rewarding ethical behavior is also helpful to create a more conscious company culture (Saini, 2010).

Skills and competencies

Providing ethics, moral, and legal training for employees is considered vital in the process of preventing corruption (Anand et al., 2004; Carter, 2000; Argadona 2003). Continuous support through help lines and ombudsmen are important for the employees to be able to carry out company’s policy (Anand et al., 2004; Wood, 1995; Argadona, 2005). As well, employees should take part in the creation of ethical codes or rules; in turn this will reinforce their ethical learning (Argadona, 2003). Anand et al. (2004) recommends that employees should have access to independent representatives where they can discuss ethical issues without the fear of retribution. This will in turn help to create a more transparent and open environment in the company. Saini (2010) concludes *“Training should be a continuous effort, in addition to establishing a system for safe whistleblowing that employees can trust.”* (p. 252).

Portfolio of Relationships

Relationship processes between buyer and supplier should be focused on delivering a desired business outcome (Cousins et al., 2008). Cousin et al. states: *“The management of inter-firm relationships is complex; it is not sufficient to simply set up and agreement: action plans need*

to be followed to instigate change.” (2008, p. 188). He argues that relationship management should not begin with changing the way a firm manages its suppliers, it should start with how it manages itself (intra-firm relationships). Relationship strategies need to be thought through and managed over time. Different stages might require different people/skills to manage them.

Carter (2000) examines ethical issues in the relationship between purchasing managers and their suppliers. In his study buyers and suppliers identified the same sets of activities as being unethical. Fisher (2007) warns about double standards within the company, where purchasers are prohibited from accepting gifts and benefits from suppliers, while sales people of the same company are allowed to offer them to their customers. If company believes that purchaser’s decision making could be compromised by accepting any gifts and benefits, they should acknowledge that the gifts and benefits provided by their sales people might also compromise decision making.

Cost-benefit analysis

According to PWC (2008, pp.2) there is a strong business case for having an anti-corruption strategy that goes beyond avoiding potential enforcement penalties. The report highlights three elements that describe the business case for mitigating corruption: (1) ethics penalty, (2) reputation, (3) economic loss. Companies that have an effective and proactive anti-corruption program may receive more favorable treatment from the authorities if corruption is discovered, compared to those who do not. By fighting corruption companies not only mitigate risk but they also enhance their reputation. 55 % of the respondents said that the most severe impact if corruption was discovered would be the company’s reputation. Loss of reputation may in turn cause loss of business, as other actors will simply not want to do business with the company. If corruption were to be discovered, it could mean potential big loss of business for the company, as well as criminal prosecution and economic penalties.

3.4 Conclusion on the first research question

To answer the first research questions, a conclusion based on the previous literature study is presented.

- RQ.1) What role can PSM play to foster ethical behavior and prevent corruption?

The role of PSM was demonstrated through a structured literature review. By taking basis in the SWM model it is possible to identify strategic elements of Purchasing and Supply Management that should be considered when mitigating corruption risk and increasing ethical behavior in an organization. As a result of the literature study a conceptual model is proposed, and is illustrated in the figure below. The suggested model summarizes the reviewed literature and can be considered as a modified version of the SWM in the context of ethical behavior. Further, the model shows the main aspects of fostering ethical behavior and preventing corruption in regards to PSM as it was perceived in the reviewed literature.

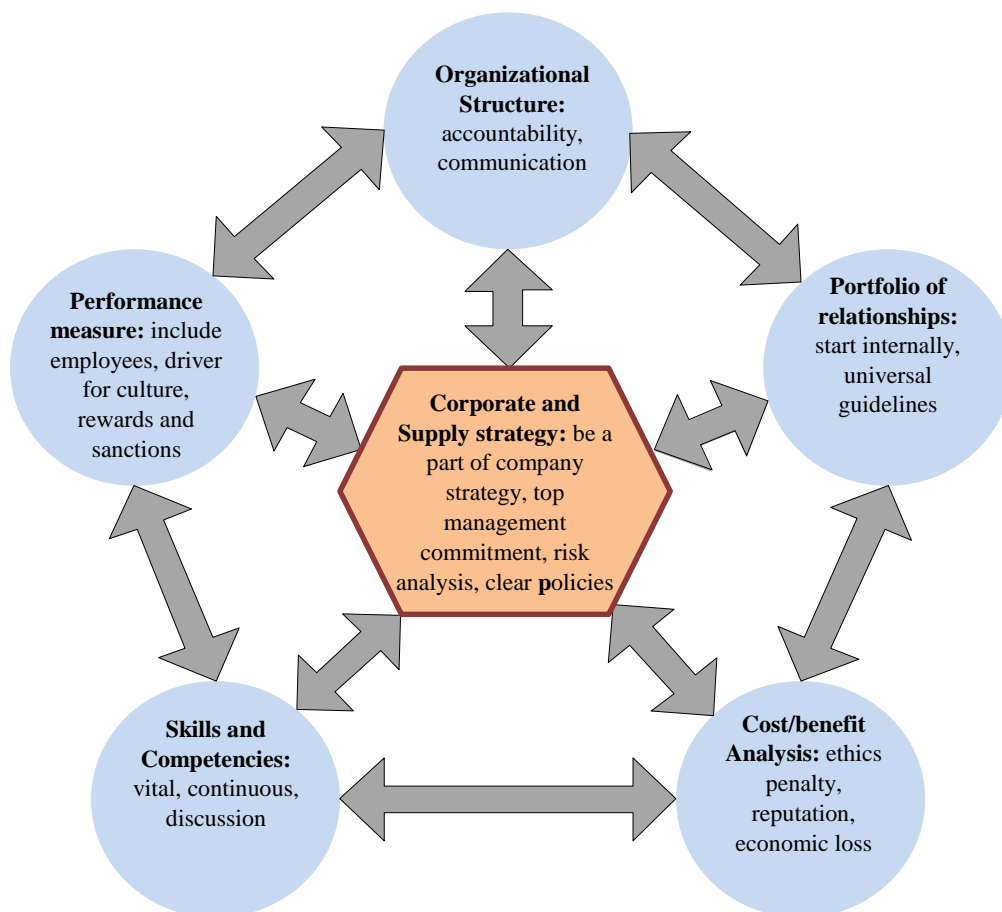


Figure 7: Wheel of Ethics: SWM based on theory in the field of PSM and anti-corruption (Own figure)

It is apparent from the reviewed literature that a holistic view should be applied when preventing corruption in purchasing activities. Companies need to make sure that they have the necessary competence, performance measures, Cost/benefit Analysis, the necessary structure and strategy to deliver the changes. Preventing corruption is not a one-time incident, but a continuous process. Managers must continuously assess the risks of corruption as their business environment keeps changing. Managers should also have in place a tailored performance measurement system, and understand how it affects the behavior of employees, both negatively and positively. It is essential to have clear and well-enforced corporate guidelines and policies against corruption. Top managers must be committed and perceived as committed through the eyes of the employees. It is also vital to ensure that employees have the necessary skills and competencies to manage and mitigate the risks of corruption. Finally, the model can enable managers to adopt a holistic view of managing the organization, which is essential in regards to increasing ethical behavior and mitigating corruption risk.

4 Theoretical discussion of the second research question

This section aims to answer the second research question. Chapter 4.1 will introduce organizational culture. Moreover, in chapter 4.2 ‘ethical culture’ is introduced along with the Corporate Ethical Virtues model in chapter 4.3. In chapter 4.4 a conceptual framework based on the theoretical findings is presented. The framework is used for further analysis in chapter 6. Finally, in chapter 4.5 the second research question is concluded.

4.1 Organizational culture

Previous research has shown that organizational culture affects employee’s ethical behavior (Ashforth et al., 2008; Kaptein, 2011). Expectancy theory suggests that an employee will behave or act in a certain way over others, due to what they expect the specific result of that selected behavior will be (Oliver, 1974). Campbell and Göritz (2013) state that “*organizational culture impacts employee’s perception of results and consequences and thus influences employees to behave in a particular matter.*” (p. 2).

There are two conventional viewpoints of organizational culture (Huhtala, 2013). The first concept can be seen as something every organization has and is viewed as a controllable feature. In the second viewpoint organizational culture is referred to as the organization’s identity. This identity cannot be consciously changed or managed. Similar to Huhtala (2013) the first viewpoint of organizational culture is adopted and used in this research, since the ethical dimension of organizational culture can be seen as a combination of virtues. These virtues can be changed and developed through, for instance, managerial practices.

According to Schein (1984) organizational culture consists of a set of shared meanings, assumptions, values, and norms that guide employee’s behavior within an organization via explicit structures and implicit conventions. Schein (1984) defines culture as “*a pattern of underlying assumptions that the given group has developed in learning to cope with problems of external adaptation and internal integration. They have worked well enough to be valid, and therefore, they are taught to new members as the correct way to perceive, think and feel in relation to these problems.*”(p. 3). The underlying, basic assumptions are the things that employees take for granted and consider as the truth, since they cannot easily picture other ways of thinking. Further, he states that organizational culture can be analyzed at three fundamental levels: *visible artefacts – values – basic assumptions* (see figure 8 below).

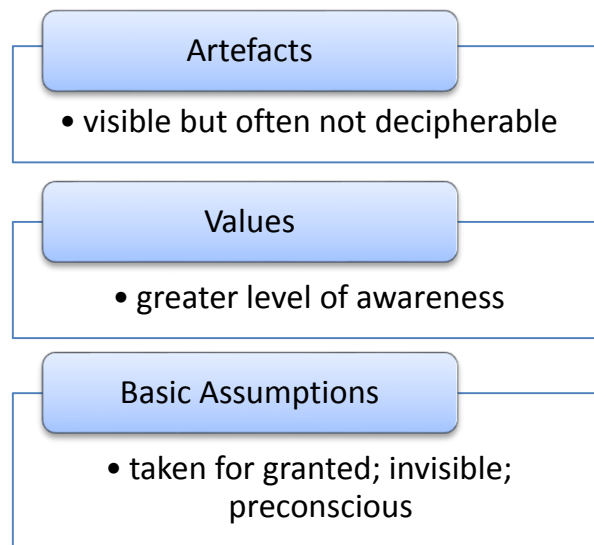


Figure 8: Organizational culture model (adapted from Schein, 1984)

The first level – *visible artefacts* – is what one notices and feels when entering an organization (Huhtala, 2013). Some examples are architecture, technology, office layout, manners of dress, visible or audible behavior patterns, documents, and materials (Schein, 1984). In regards to ethics, it may include formal ethics codes or public statements of ethical value. However, having a code of ethics does not by itself create ethical behavior (Saini, 2010). This view is supported by Kaptein & Schwartz (2008) who states that the existence of code of ethics or something similar does not mean that it is implemented and embedded in the organization. Thus it is easy to obtain data for this level (i.e. how the environment is constructed and which behavioral patterns prevail), but it is hard to interpret (i.e. understand “why” the group behaves the way it does).

Values help to analyze why employees behave the way they do. However, values cannot be directly identified through observation. Instead it is often necessary to conduct interviews with the employees. It is important to note that these values only represent the manifested or espoused side of a culture, while the underlying reasons for their behavior remain concealed or unconscious (Schein, 1984). In regards to ethics, this level of culture may include ethical values and norms, which are commonly accepted as part of the organization “way of working” (i.e. honest and fair conduct towards each other and stakeholders) (Huhtala, 2013).

To be able to understand culture in its wholeness, the third level - *underlying basic assumptions* – is needed. Underlying assumptions are typically unconscious but they determine how the group members perceive, think, and feel (Schein, 1984). Schein (1990) states that these assumptions are learned responses “*invented, discovered, or developed by a given group – as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and therefore – is to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.*” (p. 111). From an

ethical point of view, underlying basic assumptions go deeper than values and may contradict formal norms. For instance, a company can have formal procedures and policies in regards to ethics, while the basic assumption only values the achievement of economic goals, without considering ethical issues (Falkenberg and Herremans, 1995).

4.2 Ethical organizational culture

Ethical organizational culture is considered with the principles of what is considered right and wrong in an organizational context (Huhtala et al., 2011). She state's that ... "[ethical organizational culture] *creates conditions that help to explain and predict the (unethical behavior of managers and employees)*" (p. 232). Sinclair (1993) argues that such principles influence the exchanges of organizational members when they engage in organizational activities.

According to Trevino (1990), ethical culture is a part of organizational culture and includes the conditions and systems that can promote either ethical or unethical behavior. She defined ethical culture as "*a subset of organizational culture, representing a multidimensional interplay among various "formal" and "informal" systems of behavioral control that are capable of promoting either ethical or unethical behavior*" (Trevino, 1990 as cited in Trevino, 1998). Falkenberg and Herremans (1995) support her view and argues that systems of behavioral control can be divided into two sets of components: formal ones (e.g. code of conduct, leadership, reward systems, authority structures, training programs) and informal ones (i.e. behavioral norms, role models, common traditions). Relating this to the organizational culture model by Schein (1984), formal systems tend to represent a more artificial level of culture, while informal systems can appear at the deeper level of culture, as values and basic assumptions (Huhtala, 2013). Trevino and Weaver (2003) states that an important part of ethical culture is the experiences of employees, their assumptions, and expectations about how the organization promotes ethical conduct. Trevino et al. (1998) states that ethical culture emphasizes the more observable and conscious level of culture, including the Organizational Structures and practices, as opposed to the deeper level of basic assumptions.

According to Sinclair (1993) there are two approaches to enhance ethical culture. The first approach involves creating a unitary corporate culture around ethical values. This approach argues that management should actively manage ethical culture through a clear strategy and code of conduct that applies to all members of the organization. The second approach assumes different sub-cultures (not a unitary) within an organization which management should value and understand.

Huhtala (2013) considers these approaches and presents advantages and disadvantages. In regards to the first approach, the cohesive culture does not guarantee ethical conduct. For example, if managers and employees are too committed to an organization, this can increase ethical problems and even unethical behavior. Sinclair (1993) states that even though a strong culture can enhance commitment, it can also uphold conformity and rigidness that may inhibit the organization from reacting to change. In regards to the sub-cultural approach, the lack of a common foundation and core values may in turn conceive strongly divergent groups, making

it difficult to enhance the ethical culture. On the other hand, the different views and values held by the sub-groups could be seen as an asset. The thought is that these sub-groups may in turn increase ethical behavior by monitoring and criticizing each other.

Crane and Matten (2007) states that ethical challenges met in a work context can be different from the everyday ethical challenges one meet. Thus, there is a need for guidelines for how to act in ethical challenging situations. In order to foster ethical culture Schminke et al. (2005) suggests that managers must create an environment where desired ethical norms can emerge and flourish through conscious actions. To further understand how organizations can enhance their ethical culture the first approach (cohesive culture) is followed through the Corporate Ethics Virtues model by Kaptein (2008).

4.3 Corporate Ethics Virtues model

Kaptein (1998; 1999; 2008) developed a model which covers several dimensions of organization's ethical culture: the Corporate Ethical Virtues model (CEV). The model takes a normative approach, and embodies eight virtues that should be incorporated in the organizational culture. Each of the virtues are based on empirical findings. He proposes that the virtuousness of an organization could be defined by how far the organizational culture encourages ethical behavior among the organization's members and how far it prevents them from acting unethically. This is similar to Trevino's (1990) definition of ethical culture that was presented in the last section. The following section further describes the CEV and its related elements as shown below in Figure 9.



Figure 9: The Corporate Ethical Virtues Model (Kaptein, 2008)

The first dimension in the CEV model is *Clarity* (of ethical standards) which refers to an organization's ethical standards and expectations towards employees and managers (Kaptein, 2008). The ethical standards should be concrete, comprehensive, and understandable. Different examples of ethical issues specific to PSM is provided by Carter (2000, p.194). The main message of this virtue is that in order to minimize unethical behavior, organizations should not leave employees and managers to rely on their own moral intuition and judgment when trying to distinguish between ethical and unethical conduct (Huhtala, 2013). Unethical behavior can be caused by vague and ambiguous ethical expectations resulting in uncertainty (Tyler and Blader, 2005). For example, Fisher (2007) warns about double standards within the company,

where purchasers are prohibited from accepting gifts and benefits from suppliers, while sales people of the same company are allowed to offer them to their customers. This might in turn send mixed signals internally and externally in the company. The risk of unethical conduct resulting from uncertainty can be mitigated by having a clear and guiding framework, which in turn cultivates ethical culture. Unclear and vague expectations make it possible to hide behind ignorance or deliberately keep oneself uninformed (Bovens, 1998). A clear frame of reference (i.e. code of conduct) leaves less room for misunderstandings, excuses, and rationalizations of unethical conduct, thus supporting ethical conduct.

The second and third virtue of ethical culture is *Congruency* (ethical role modeling) of *supervisors and senior management*. Supervisors are defined as the direct manager of the employee within the work group, while the term “managers” refers to all levels of management above the supervisor, outside the employee’s work group (Kaptein, 2008). An organization may have clear ethical standards, but if the behavior of supervisors and managers oppose these standards, the employees may in turn get mixed signals. To understand what kind of behavior that is valued and accepted employees observe signals sent from managers. In this sense, managers are seen as role models, which the employees identify themselves with (Huhtala, 2013). Falkenberg and Herreman (1995) showed that managerial role models were the most important determinant in regards to the levels of unethical or ethical behavior. Depending on the size of the organization, supervisors and managers play different roles. In large organizations lower level employees felt that the ethical behavior of higher level managers did not reach them, while the behavior of supervisors had more influence. Accordingly, senior management can have more dominant influence in small organizations. If a manager behaves unethically, he/she contradicts existing ethical standards and sends signals to employees that unethical actions are acceptable in the organization. This may in turn expose the organization to further breaches of ethicality (Kaptein, 2008). On the other hand, if a manager acts according to the organization’s ethical standards, he/she reinforces the message of compliance. In sum, managers and supervisors should comply and be seen as ethical in concordance with the organization’s ethical standards.

The fourth virtue of *Feasibility* refers to the extent to which the organization creates conditions which enable employees to comply with normative expectations (Kaptein, 2008, p. 925). Feasibility can be viewed as the ability to behave ethically. In their 1998 study, Trevino et al. found that unethical conduct occurred when employees lacked adequate or sufficient resources such as time, budgets, equipment, information, and authority to fulfill their responsibilities. For instance, people under greater time pressure are less inclined to pay attention to the legitimate expectations and interests of others, compared to those who have sufficient time (Trevino 1986 as cited in Kaptein, 2008). Thus, complying with ethical standards can become less important in a high pressure culture where financial goals are given precedence (Kaptein, 2011).

The fifth virtue of the CEV model is *Supportability*. According to Kaptein Supportability “...refers to the relative strength of an individual’s identification with, involvement in and commitment to the normative expectations of the organization and the extent to which the organization stimulates this.” (2008, p.926) More specifically, it represents the extent to which

the organizations support employees and managers to meet normative expectations (Kaptein, 2008). Tyler and Blader (2005) found that when employees are encouraged to identify with the values of their organization, they are more motivated to comply with the ethical standards. The essence of a supportive organization is fair treatment of employees and managers, as well as mutual trust between the organization members. This can enhance satisfaction, motivation and commitment to the organization which in turn decreases the risk of unethical behavior (Kaptein, 2008).

The sixth virtue is *Transparency*. This dimension refers to the visibility in the organization (Kaptein 2008). He defines this virtue as the degree which “*employee conduct and its consequences are perceptible to those who can act upon it, that is colleagues, supervisors, subordinates, and the concerned employee(s).*” (p. 926). This virtue is based on the assumption that organizational members may only be held responsible for their actions if they know or had the opportunity to know the consequences of their actions (Bovens, 1998). If organizational members are unaware of the severity and the following consequences of their actions, they are also unable to modify or alter their behavior (Huhtala, 2013). In addition, transparency reduces unethical behavior by its potential to expose such conduct. This in turn increases the possibility of getting caught and acts as an incentive for ethical conduct. With low transparency, organizations risk that the frequency of unethical behavior since such behavior is easily concealed (Kaptein, 1998).

The next dimension is *Discussability* which is concerned with the openness to raise and discuss ethical issues in an organization. Employees should be given adequate space to exchange, analyze, and discuss their experiences in order to learn from each other’s mistakes, transgressions, and dilemmas (Kaptein, 2008). In a culture which can be characterized by little discussion and debate, unethical behavior may occur partly due to a lack of criticism and limited or no willingness to discuss ethical issues. Birds and Waters (1989) introduced the concept of “moral muteness”, which they defined as avoiding moral discussions. If organizational members are avoiding moral talk persistently it can reinforce unethical culture (Bird and Waters, 1989). Waters (1988) argues that managers should discuss ethical issues with employees, and by that demonstrate their openness and interest to discuss ethical issues which can be encountered at work.

The final virtue of the CEV model is *Sanctionability*. This virtue refers to the likelihood of employees and managers being rewarded for ethical behavior and punished for unethical behavior. This dimension builds on the reinforcement theory which states that individuals are affected by the consequences of their past decisions when confronting future decision-making situations (Kuthala, 2013). Accordingly, rewards will lead to repetition and punishment will lead to avoidance. Thus, positive and negative sanctions are important for supporting ethical conduct and creating an ethical culture. Kaptein (1998) showed empirically that a lack of recognition for ethical conduct will diminish the willingness of employees to act ethically. The more ethical conduct is rewarded, the fewer violations people will commit (Roman and Munuera, 2005 as cited in Kaptein, 2008). In sum, if ethical conduct is not rewarded, employees may not perceive ethicality as worth pursuing, thus increasing the likelihood of acting

unethical. On the other hand, unless unethical conduct is punished, employees might in turn view breaches of ethicality as acceptable.

4.4 A framework for further analysis

The findings in regards to the first research questions showed that in order to foster ethical behavior and mitigate corruption risk within a company, a holistic view of the organization is required (ref. chapter 3). The *Wheel of Ethics model* proposed in chapter 3.4 considers relating elements of the Corporate and Supply Strategy and demonstrates areas that should be considered simultaneously when fostering ethical behavior and preventing corruption in the organization. Further, in chapter 4 the role of organizational culture in regards to fostering ethical behavior was investigated. More specifically, ethical culture and particularly the *Corporate Ethics Virtue Model* were introduced. With the CEV one can identify important virtues an organization should consider if they want to foster a culture where ethical behavior is highly regarded.

In this chapter it is attempted to find a possible synthesis between the theory of Purchasing and Supply Management and ethical culture, in the context of increasing ethical behavior and mitigating corruption risk. More specifically, the modified Strategic Supply Wheel Model and Corporate Ethical Virtues Model are combined into a single framework (Figure 10). The purpose of the framework is to show how the ethical culture of an organization can be enhanced through Purchasing and Supply Management. Firstly, it identifies and combines important elements of ethical culture with the supply wheel model into a single framework. Secondly, managers, purchasers, consultants, and policy makers may use the model as a tool for assessing and developing the ethical culture of an organization. As well, it can provide a structure for future literature reviews and analyses. Hence, by combining chapter 3 and 4 it is attempted to show possible parallels in regards to the two fields of study.

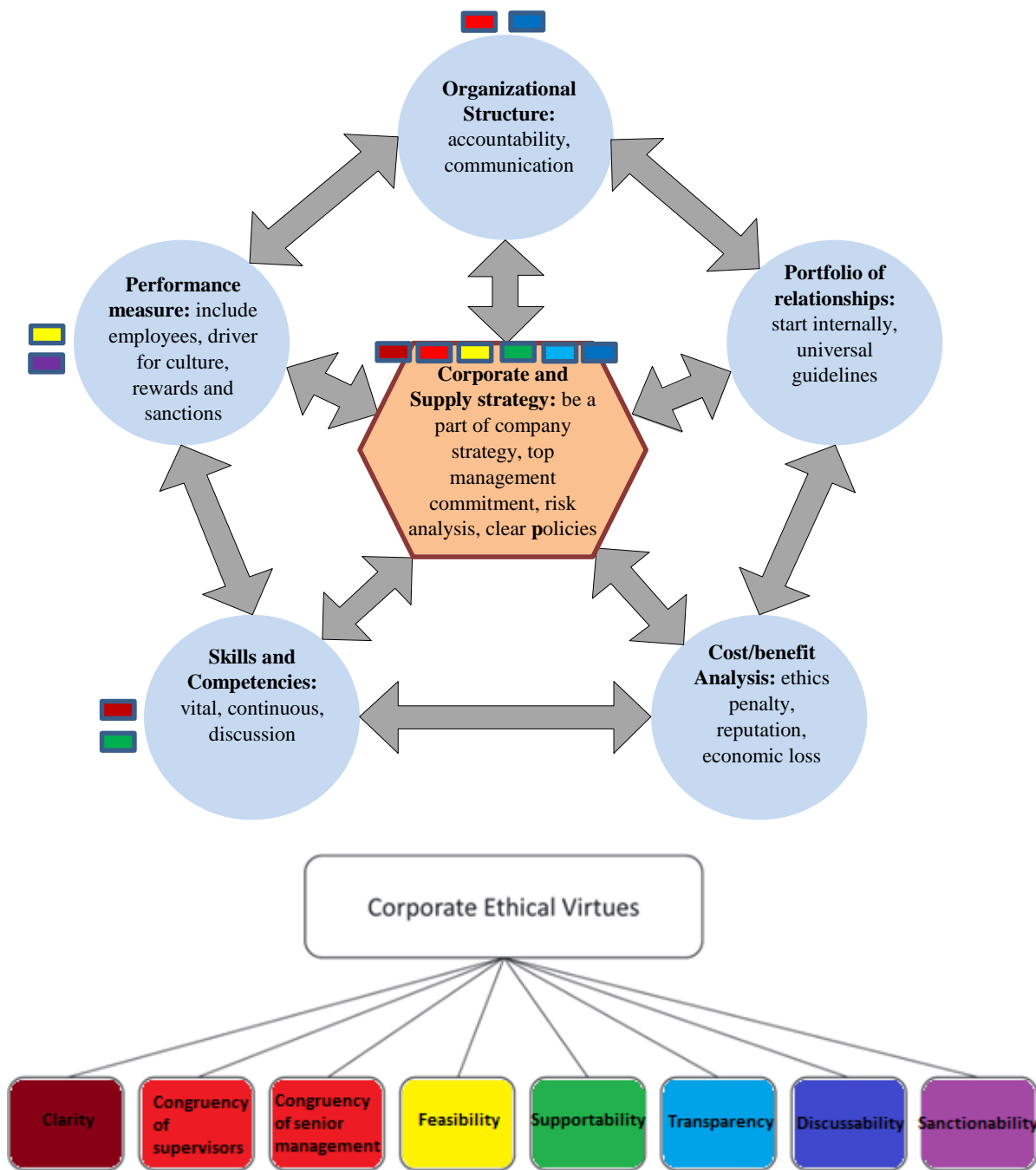


Figure 10: The presence of CEV virtues in the SWM (Own figure)

In the context of increasing ethical behavior and mitigating corruption risk, the combining of theory from chapter 3 and chapter 4 shows that each virtue of the CEV model is present in the SWM. However, the SWM elements “*Portfolio of Relationships*” and “*Cost/benefit*” was not found to be present in the literature. As a result of combining the elements of the SWM and CEV a new framework is introduced in Table 5 below. The table describes the result of the combination more in detail and will be used to analyze the case study findings in this research.

Table 5: Managing Ethical Behavior model (MEB) (own table)

| | Corporate and supply strategy | Organizational structure | Performance measurement | Skills and competencies |
|--|--|---|---|--|
| Clarity -organization's ethical standards and expectations towards employees and managers. | Ethical standards must be concrete, comprehensive, understandable, and a part of corporate strategy. | | | Do not leave employees and managers to rely on their own moral intuition and judgment. |
| Congruency -managers and supervisors should comply and be seen as ethical in concordance with the organization's ethical standards. | Managers behavior must be congruent to ethical standards | Supervisors and top management play different roles depending on size of organization | | |
| Feasibility - the extent to which the organization creates conditions which enable employees to comply with normative expectations. | Should create conditions which enable employees to comply with normative expectations. | | Complying with ethical standards can become less important in a high pressure culture where financial goals are given precedence. | |
| Supportability - the extent to which organizations support employees and managers to meet normative expectations. | Employees must be encouraged to comply with ethical standards. Top management commitment is essential. | | | Ethics training as a way to change attitudes and increase ethical behavior. |

| | | | | |
|--|---|---|---|--|
| <p>Transparency - the visibility in the organization.</p> | <p>Should be central in the corporate and supply strategy. It should be very clear at all times who is in control and who bears responsibility in areas of activity where there is any possibility of corruption.</p> | | | |
| <p>Discussability – openness to discuss ethical issues.</p> | <p>Employees should be encouraged to speak up and discuss ethical issues</p> | <p>Managers should discuss ethical issues with employees, and by that demonstrating their openness and interest in discussing ethical issues which can be encountered at work</p> | | |
| <p>Sanctionability – the reinforcement of ethical behavior.</p> | | | <p>Rewards and sanctions have different effects on the ethical culture.</p> | |

4.5 Conclusion on the second research question

To answer the second research questions, a conclusion based on the latter literature study is presented.

- RQ.2) How does organizational culture affect employee ethical and unethical behavior, and how can organizations enhance their ethical culture?

Organizational culture can be viewed as a concept that in turn may influence employees to behave in a certain manner. By adopting the view of Schein (1984) organizational culture has three elements: visible artefacts, values, and basic assumptions. These elements provides a context and conditions that may in turn promote ethical or unethical behavior. Visible artefacts is what one would notice when entering an organization. In regards to ethical behavior, code of ethics is an example of a visible artefact. Code of ethics cannot create ethical behavior by itself, but they can set the basis for the organization's values and norms if they are embedded and implemented in the organization.

Underlying basic assumptions determines how employees perceive, think and feel. Moreover, it is not necessarily something people in the organization are conscious about, but rather learned responses. As exemplified by Falkenberg and Herremans (1995) a company can have formal procedures and policies in regards to ethics, but their basic assumptions may only value the achievement of economic goals. Hence, commitment to ethical behavior can easily be lost when the organizational culture expect you to deliver increasing returns. This is an interesting dilemma, however it is beyond the scope of this study.

The literature study suggests that in order to enhance ethical culture, the organizational culture should consist of ethical values and norms. More specifically, the management must manage the culture actively through a clear strategy and code of conducts that applies to all members of the organization. It is also essential to provide sufficient resources and awareness training to be able to work ethically. Moreover, trust and support between lower level employees and managers, openness to discuss ethical issues is important. Managers should act according to the ethical standards of the organization. Having a culture of openness where ethical issues are discussed between the members of the organization is also essential. It is also important to have transparency throughout their activities to increase the visibility of the organization and the decisions that are made. Behavior not congruent to the ethical standards of the organization should be punished and, on the other hand, there should be rewards for ethical behavior.

5 Case company – Ulstein Group ASA

To give the reader a better understanding of the case company, and its relevance to this study, this chapter shortly presents the case company and its process of implementing new ethical guidelines and compliance. This chapter is based on the company's documents and the informal meetings with employees. In chapter 6 the case study findings are presented.

5.1 Corporate structure and strategy

Ulstein Group AS is a family-owned company comprising a range of marine enterprises within ship design and solutions, shipbuilding, power and control systems, global sales and shipping (UlsteinGroup, 2013a). Ulstein offers ship design, shipbuilding, as well as after-sales and stand-by emergency services. Today Ulstein Group delivers marine solutions on a global level, making it possible for shipping companies, operators, and contractors to achieve long term competitiveness. The company states that they “develop ship designs for any specific purpose” (UlsteinGroup, 2013a). In Figure 11 Ulstein Group's different business units are shown.

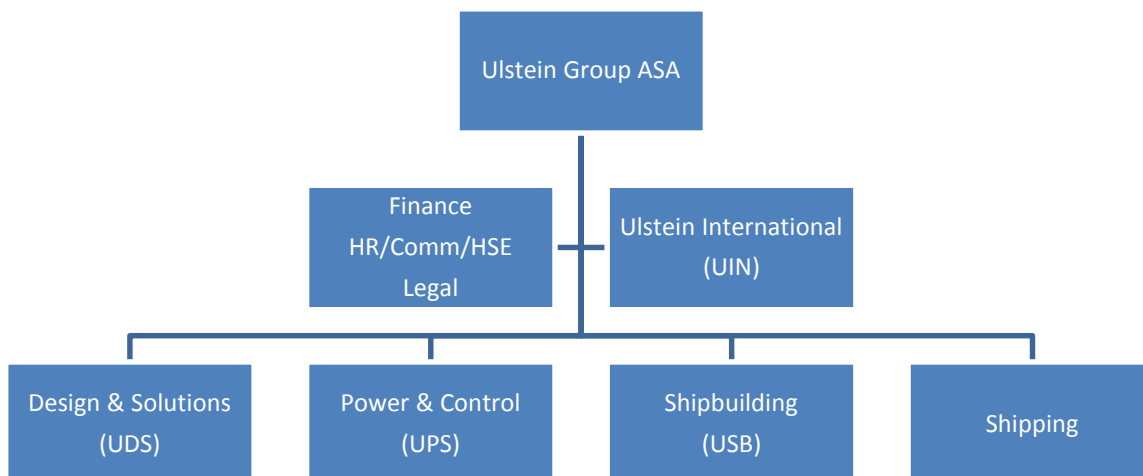


Figure 11: Organizational Structure of Ulstein Group ASA (UlsteinGroup, 2013b)

Ulstein has three service departments: Finance, HR/Communications/HSE and Legal, which offer support to all business units. Furthermore, Design & Solutions (UDS), Power & Control (UPC), and Shipbuilding (USB) are the main business units of the Ulstein Group.

Ulstein International (UIN) acts as a business development unit and provides expertise in systems management and business development. UIN coordinates the global sales network (GSN) and provides consulting services. With geographical proximity to customers GSN provides regional sales and services to support Ulstein's four business units.

The Ulstein Group's overall strategy is to achieve long-term sustainable growth, internationalization, and innovation. They claim to have a strong focusing strongly on results and actively use their three core values – innovate, engage, and advance – to achieve long-term competitiveness. The Ulstein Group's vision is to create tomorrow's solutions for sustainable marine operations. Sustainability is achieved through four main areas: health, safety and environment (HSE), quality products, responsible partnership, and corporate social responsibility (CSR).

In the next section Ulstein's main business units are presented in detail in regards to their purchasing activities.

5.2 Business units

UDS, UPC, and USB operate as independent companies, and deliver products and services independent of each other. Thus, they also have their own purchasing departments. However, Ulstein's business units may also act as suppliers for each other along with any others.

5.2.1 Ulstein Design & Solutions

UDS delivers designs, equipment packages and system integration to the domestic and international market. UDS offers a wide spectrum of ship designs, namely, offshore support vessels (OSVs), heavy offshore vessels (HOVs), and short-sea vessels (SSVs) (UlsteinGroup, 2013c). They also provide counseling and supervision for the construction of vessels at various shipyards worldwide (UlsteinGroup, 2013d).

There are 5 people working in the UDS purchasing department. The purchasers are assigned to various sales projects, where they work on pricing main equipment packages. They manage purchases in regards to main equipment where they have a sale contract all the way through. They are responsible for formalizing the contracts and following it up from start of a project until the final delivery. The end customers in all of their projects are shipping companies; however, their contracts are written with shipbuilding sites. Thus, they communicate with the shipping company in terms of needs and preferences, and the shipbuilding sites to construct the boat. The department does not only work towards executing purchasing orders, but also put premises for what is to be purchased.

In addition, UDS can act as a service provider for USB, providing designs to the boats that are built.

5.2.2 Ulstein Power & Control

Ulstein Power & Control AS, headquartered in Ulsteinvik, Norway, develops and produces system solutions for ships (UlsteinGroup, 2013b). More specifically they offers expertise in systems solutions for shipyards and ship owners worldwide. They offer various products. Examples are bridge instrumentation, control and monitoring systems, power packages, and integrated communication (UlsteinGroup, 2013c)

Activities of product and system delivery are mainly attached to the international maritime market. As of year 2013 they deliver equipment to 3-4 boats in Norway, and around 15 in

foreign countries (mostly China) per year. The activities include product development, sales, production and service in the aforementioned expertizes. As well, they have their own production company in China, engineers in Croatia, and a firm in Brazil which are responsible for navigation and commissioning.

In total, there are 4 people working in UPC's purchasing department. They have typically two types of purchases. First, they have direct orders triggered by a minimum stock or project need. In such cases, they often have framework agreement with their suppliers. Such framework agreements follow a standard concerned with risk, laws, and rules. This standard is made in cooperation with the corporate lawyer and has room for individual adaptations.

Secondly, they have bigger purchases in relation to propulsion systems, where they often have to negotiate the price and make agreements for the specific project. Such purchases are large in terms of costs, often 7-10MNOK.

5.2.3 Ulstein Ship Building

Ulstein Verft AS builds advanced special-purpose vessels such as offshore support, offshore construction, seismic and well-intervention vessels, with a strong focus on innovative technological solutions and methods (UlsteinGroup, 2013b).

There are about 6-7 people working in the USB purchasing department. They do mostly large purchases in terms of size and cost, for instance cranes, main engines, propulsion, well décor and nautical equipment. These purchases are often defined in the pre-sales phase. In this phase a matching is made between a potential customer and the wishes/needs they may have. Their main customers are shipping companies. The customers often have preferences in terms of type of products and suppliers. In some cases, this reduces USB's scope of action and power in terms of negotiating with the suppliers.

A project purchaser working in USB will typically follow the project of building a boat from start to finish, making sure all the necessary purchases are made with the exception of the fuselage and steel. Such purchases are handled outside the purchasing department.

5.3 Compliance in Ulstein

Compliance can be understood as conforming to laws, regulations, standards and other requirements. This is especially in regards to human rights, working conditions, environment and anti-corruption. It was decided to use terms like "ethical guidelines" and "compliance" throughout the interview as a common frame of reference. These definitions were also discussed before the interview took place. This section is based on formal and informal discussions, notes, and official company documents.

During 2012 the administration experienced a strong demand from customers in regards to being able to document their work in regards to ethics and anti-corruption. As an international company, Ulstein is subjected to the UK Bribery Act, US Foreign Corrupt Practices Act and other international laws in addition to Norwegian laws.

In a board meeting in Ulstein Group ASA on the 24th of April 2012 it was decided that the administration, to a larger degree, should formalize the work with compliance. Thereunder, it was decided to increase the focus on the ethical guidelines in general and especially the work with anti-corruption. As a result, the administration initiated a revision of Ulstein's ethical guidelines. In April 2013, the administration advised the board to join the United Nation Global compact (UN GC). The UN GC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption (GC, 2013a).

A draft of the new ethical guidelines was made available for this research and is shown in Appendix C. It contains guidelines in regards to human rights, work conditions, environment and anti-corruption. Compliance and anti-corruption in supplier contracts is still an ongoing process in Ulstein at the time of this research. Furthermore, this research took place around the same time as the new ethical guidelines, and compliance in supplier contracts were being implemented in Ulstein. An ethical committee was also made to encourage whistleblowing, where employees may express any concern they have in regards to ethics. Therefore, it was possible to make some general observations during the research in regards to this process. The implementation of new ethical guidelines was, as understood in this research, a top down process initiated by the HR-director and corporate lawyer of Ulstein. Their main focus was towards the purchasing units of UDS, UPC, and USB.

6 Case findings and analysis

Chapter 6 based on findings, analysis, and reflections contributes to answer the third and fourth research question. The findings are mainly based on the three semi-structured interviews conducted during a company visit. In addition, relevant observations, formal and informal discussions, and company documents have contributed to the case findings.

In chapter 6.1 general findings are presented. The general case findings provide an overview of the findings in regards to organizational culture, compliance and anti-corruption. Due to the interviews being this study's main source of data, a sub-chapter (6.1.2) was dedicated to give an overview of their respective findings.

In chapter 6.2 the analysis conducted in this research is presented. The analysis combines the empirical results and theory and aims to answer the third research questions. The analysis takes basis in the combined theoretical framework of CEV and SWM (ref. chapter 4.4) by considering each element and characteristics and their contribution to ethical behavior. As a result of the analysis, a modified framework is presented in chapter 6.3. The result of the analysis may have implications for how Ulstein should foster ethical behavior in its respective activities.

Below follows general findings in chapter 6.1. Moreover follows the analysis in chapter 6.2, a summary of the analysis and proposal of a modified version of the framework (ref. chapter 4.4) in chapter 6.3. Finally, in chapter 6.4 comments and critics of the proposed framework are presented.

6.1 General findings

In chapter 6.1.1 the overall impression of Ulstein's organizational culture, compliance and ethics is presented. Section 6.1.2 gives a brief extract from each interview. The purpose is to give the reader insight in the organizational culture and its attitude towards ethics and compliance. The quotations are marked with numbers 1-3 to indicate which participant gave the statement.

6.1.1 Overall impression

As previously mentioned Ulstein Group AS is a family-owned company, and can be characterized thereafter. There seem to be a lot of pride in the job they perform. This is both a personal pride and shared pride among the employees. Apparently many of the workers have been working in Ulstein for a long time, and employees are genuinely committed to the company. As one of the interviewees put it *"What we deliver, there is no random attitude in regards to when a boat is delivered. There is a sense of ownership to that "I" was a part of making this"* (3). In addition the employees seem to bear a sense of respect towards the owners of Ulstein, more specifically respect for that it has been a family-owned company for almost 100 years.

Ulstein's aforementioned core values "innovate, engage, and advance" (ref. chapter 5) are also present. One of the participants describes the company culture *"It is a culture characterized a*

little by “*sunnmørsk*”, the “*sunnmørsk spirit...*” (2), by this he means “*to solve problems, and make things happen together with the customer*” (2). He continues “*...and perhaps a little less concerned with long term strategy*” (2) According to one of the participants there is big enthusiasm for business and innovation. He says “*There is small degree of locked structures in the way we work. We talk together and solve things sometimes in passing in the hallway, and other times telephone or ad-hoc meeting.*” (2)

In regards to compliance and anti-corruption, the recurring reflection among the interviewed purchasing managers was that it is something highly regarded in Ulstein. The purchasers seem genuinely committed to follow and make use of the ethical guidelines when required. As one of the participants put it “*As of today, the ethical guidelines [are] good enough, they are there when you are employed and a part of what you accept when you work for Ulstein. [Also it is]... an implicit things and [a part of] the way we do business...*” (3) However, it was also expressed that they lack a formal system to follow up employees in regards to ethical and awareness training. According to one of the participants “*we have to ... get into dilemma and awareness training.*”(3).

The interviewees also mentioned a lack a standardized approach towards their suppliers and systems for documenting and checking suppliers in regards to ensuring compliance. In regards to this the purchasers expressed a fear in terms of how comprehensive such a system would be. As summarized by one of the participants “*I think it is important that requirements are put differently, so that small local businesses, which we buy something from ... will still get very clear requirements from us in terms of compliance, anti-corruption, etc. However, not the same requirements in terms of reporting, follow-up and audits, as compared to ... a Chinese supplier. If that is the case*” (3).

6.1.2 The interviews

In the following section a brief presentation of the participants and their backgrounds are presented. Each participant will be identified by a code. This is in order to indicate which participant gave the statement as a reference to the original interview transcripts shown in Appendix B. Table 6 presents the participants below.

Table 6: Participant code, position, and working department (Own table)

| Code | Position | Department |
|------|--------------------------|----------------------------|
| 1 | Operation manager | Ulstein Power & Control AS |
| 2 | Supply Chain Manager | Ulstein Design & Solutions |
| 3 | Deputy Managing Director | Ulstein Shipbuilding |

1. Operation manager

The operation manager is the head of purchasing, storage and production in UPC. He has worked three years in Ulstein, and has previous experience from the furniture industry. His main line of responsibility is foreign activities in China, where he assist production.

While discussing the ethical guidelines in Ulstein he expressed that it is important to behave and act properly. He sees the benefit of having ethical standards as they contribute to keeping your name clean if you become involuntarily involved in something. He also believes that it is important to work with standards and general methodology so that it becomes something which “everyone” may use, instead of each business unit or company having their own standards.

He expresses that discussing ethical issues and compliance within the organization is not a problem. If there are any issues they are raised internally and discussed.

He fears that an increased focus on ethics and compliance towards suppliers may lead to a lot of paper work, which in turn will increase costs and lower the ability to execute processes. In case of larger purchases and larger suppliers there should be a more thorough system for reporting and follow-up. He believe that requiring the same amount of reporting from smaller suppliers would be difficult.

The biggest challenge in regards to compliance is Chinese suppliers and their sub-suppliers. They operate in a foreign culture, which makes it more difficult. He says Ulstein has good practices of checking quality, deliverability, and economy of suppliers, but does not mention anything in regards to compliance or anti-corruption.

2. Supply Chain Manager

The supply chain manager in UDS has widespread experience from both public and private purchasing and has been working 3 years in the Norwegian Defense as well in the oil drilling

business. He has worked 3.5 years in Ulstein as a senior purchaser and 2 years as a manager of the supply chain department.

He describes the organization as very committed to finding the right solutions with the customer. Furthermore, he describes the culture in Ulstein is informal, by which he means that their way working is not limited by rigid structures and the different departments in UDS are known to cooperate well with each other.

UDS usually buys from the same well renowned suppliers, unless there are some particularly interesting technical solutions or if the ship-owners have personal preferences. There are thorough technical and financial checks before choosing a supplier. They set very high demands to the products delivered by the suppliers.

In regards to the ethical guidelines, he feels that the purchasers are well known with the ethical guidelines. He expressed that the guidelines are especially relevant for sales people, project managers and people from purchasing. There is a high level of openness to address ethical issues within his work department, and if any dilemmas arise there is no problem to discuss it further up in the organization. Furthermore, he expresses that ethical dilemmas seldom arise. However, every now and then, they have to evaluate whether to attend events hosted by suppliers.

UDS does not have active operations towards suppliers in regards to compliance and ethics. He would like to, but due to evaluations and lack of resources there are no such activities. This is due to the use of well renowned suppliers that they have a long experience with. Most of these suppliers have strict internal requirements in regards to compliance and anti-corruption. In these cases compliance and ethics are, to a certain degree, mentioned in the contracts. He envisions spending more time on supplier visits to run discussions in regards to compliance and anti-corruption in the future.

3. Deputy Managing Director

This interviewee has a background in business and economics and has worked about 10 years within transport and logistics. He has worked more than 1 year in Ulstein as a purchasing manager and recently as a deputy manager director of USB in addition.

Regarding the organizational culture he claims that there is a high degree of loyalty, since many people have worked in Ulstein for a long time. He further describes Ulstein as a company with strong and proud traditions. He describes a sense of ownership and pride to the ships they deliver. It is thus even more important to keep in mind that they are representing Ulstein, and not breach their ethical standards. He has a rule of thumb that what you do now, you have to be able to stand tall if any questions were to arise. He also mentioned that the barrier for discussing ethical issues within the company is low.

While discussing the ethical guidelines he describes it as a document that is not often used actively, however, it is in the back of their heads when they make supplier selections. He further describes their previous supplier selections as very good and thorough, but they have not

documented the process behind the selections. In most cases USB buys from Norwegian suppliers or at least the companies that have a Norwegian representative. He regards these suppliers as low risk in regards to finding breaches of Ulstein's ethical standards. Very few products are produced in the Asian countries, and in possible cases it is usually a Norwegian Registered Foreign Company that may have parts of their production in China or other eastern countries. However, as previously mentioned, the ability to look back and prove how the suppliers were chosen is low. He believes that a new system is needed to improve the transparency. What he fears is that this system might become too large and rigid, which may in turn limit their choice of suppliers. Regardless, it will be important that all suppliers are required to follow the ethical standards of Ulstein, but the degree of reporting and follow-up should vary depending on whether it is a local trustworthy supplier, or a less known foreign supplier.

6.2 Analysis and reflections

The aim of this chapter is to answer the third research question. The method of analysis is described in detail in chapter 2, thus only a brief introduction is given in the next paragraph.

The analysis was conducted through application of the theoretical framework developed in chapter 4.4. The empirical data mainly originate from the conducted interviews, but as well observations and other relevant findings were taken into consideration. As a first step of the analysis, raw data was described in order to give an objective presentation of the interview findings. To provide a structure for the raw data the different virtues of the CEV model was used. Further, the empirical findings of each virtue were reflected upon in relation to the SWM elements. Prior to the reflection part, a table presents the SWM related elements that were found in theory and practice. This is in order to compare theory with practice. As a result of new insights and reflections from the empirical findings, the virtues of *Clarity* and *Supportability* are redefined.

Clarity

The virtue of *Clarity* is the organization's ethical standards and expectations towards employees and managers. The interviews provide several findings in regard to the virtue of *Clarity*. One of the participants said “...*there are certain roles in the organization where this is more relevant than for others. Particularly perhaps sale, project management, and purchasing*” (2) Commenting on the ethical guidelines he expressed that “*a lot of it is based on common sense, so it's much about being aware*” (2). As put by one of the participants “*I think most people have a clear relationship with the ethical guidelines, and know what they are about.*” (3) Another participant concurs “*The purchasers are quite familiar with them (ethical standards)*” (2). He also comments “[The ethical guidelines] *leaves no space for excuses to operate on the border...*” (2) This suggests that people within the different purchasing departments seem to understand the ethical guidelines that they are expected to follow.

When asked about how the ethical guidelines are used in their work the second participant stated “*A lot of it is based on common sense, so it's much about being aware.*” (2). He further mentioned “...*[my purchasers] know that if they fell that they are operating “on the boarder” they have to clear things with me*” (2). Along similar lines another participant states “*It's how we operate, if there are any doubts we bring it up and discuss it.*”(1). When asked about dilemmas in regards to compliance he states “*[Dilemmas that may arise] can be discussed internally in the company first. Further, one would proceed to [the corporate lawyer] to ask for advice and put light on the case*” (1). These findings support the notion that employees are not left by themselves when having to make ethical decisions.

In regards to supplier selection one of the participants states “*[ethical guidelines] are very clear in regards to which types of selections we have of suppliers*” (3). He feels that they do very good and thorough supplier selections since they know most of their suppliers well, and are very skeptical about new suppliers without thorough controls. However, the ability to

document the process behind the selections is vague, as he states “*not in the form of schemes and [standard] methods.*” (3).

In a more general sense, it was stated that “*If you are very clear and tidy in all relationships (with suppliers), then you will also get fewer requests that are ‘on the border’*” (2). In response to the question of advantages and disadvantages of having ethical guidelines participant (2) states that “*It’s not everything that is scary and dangerous either, you just have to be conscious about it, and not let it affect that you can have relations to suppliers, it just have to be in a tidy way*”. When asked about the benefits and disadvantages of following the ethical guidelines the second participant replied: “*...benefits are that we show that we are a serious company that understand that this is important...The downside could be that we seem a bit large and rigid, we “paint the devil on the wall” (exaggerate)...There could be small suppliers thinking like this, and feel that it is too formalized and too much focus on this area (compliance) in particular.*”(2). He concludes: “*this is how it is and it has come to stay and there is going to be more focus on it in the future. So, there is no need for us to worry*” (2).

Reflections on Clarity

Table 7: SWM relationships of Clarity (Own table)

| Relationships found in theory | Relationships found in interviews |
|--|---|
| <ul style="list-style-type: none"> - Corporate and Supply strategy - Skills and Competencies | <ul style="list-style-type: none"> - Corporate and Supply strategy - Organizational Structure - Portfolio of Relationships |

From the perspective of Ulstein’s purchasing managers the virtue of *Clarity* is present in Ulstein. First, Ulstein have ethical guidelines that all employees are expected to follow. The purchasing managers expressed during the interviews that most people they work with are familiar with the ethical guidelines and know what they are about.

Sub-ordinates within their respective departments know that if there are any doubts in terms of what is ethical, they should bring it up and discuss it with them. This goes for the purchasing managers as well, if they are in doubt they raise the issue further up in the organization to ask for advice. This suggests that employees can and are supported to seek support up in the organization if there are any doubts. Thus, the element of *Organizational Structure* was also found to be relevant in terms of *Clarity*. This can also indicate that employees are not left alone to make ethical decisions having to rely on their own moral intuition and judgment. Hence, the element of *Skills and Competencies* was also found to be relevant.

The analysis also revealed that the element of *Portfolio of Relationship* was also found to be relevant in terms of the virtue of *Clarity*. This is was not a relationship found in the reviewed literature. The interviews point to the purchasing managers’ believe that focus on ethics and compliance does not necessarily inhibit them from having a relationship with their suppliers, it just set the standard and guidelines for having a proper relationship. However, as one of the

participants stated during the interview *“it is important to have a structure that is possible to fill out, and does not damage our options of suppliers.”* As a result of the aforementioned findings a small modification of the virtue of *Clarity’s* definition is introduced in Table 8.

Table 8: Definitions of Clarity (Own table)

| Theoretical definition | Modified definition as a result of empirical findings |
|---|--|
| <i>“The organization’s ethical standards and expectations towards employees and managers”</i> | <i>“The organization’s ethical standards and expectations towards employees, managers, and suppliers.”</i> |

Congruency

Congruency (as defined in chapter 3) states that managers and supervisors should comply and be seen as ethical in concordance with the organization’s ethical standard. The interviews convey some findings in regards to the virtue of *Congruency*. The work done by the responsible managers for implementing the new ethical guidelines and compliance in regards to suppliers was described by one of the participants: *“Information and guidance, as one has done from the group side (HR and legal), contributes to strengthen the culture”* (2); he further states that *“[They appear] very concerned with following the rules. [They are also] concerned that there should exist such policies and that they should be known”*. The third participant stated *“There is a great focus from the top management which has enabled us to take action»*. Along similar lines the first participant expressed *“I feel that they (top management) behave as well. We conduct business seriously and properly, that is the basis.”* (1). He also expressed that *“they (top management) are positive to everything that improves and such”* (1).

Reflections on Congruency

Table 9: SWM relationships of Congruency

| Relationships found in theory | Relationships found in interviews |
|---|---|
| <ul style="list-style-type: none"> - Corporate and Supply strategy - Organizational Structure | <ul style="list-style-type: none"> - Corporate and Supply strategy - Organizational Structure |

From the perspective of Ulstein’s three purchasing managers it appears that the top management behavior is congruent to ethical standards. As well, the HR-director and corporate lawyer have been central in implementing the new ethical guidelines. From the interviews it appears that they experience the top management as drivers for making sure the employees know that compliance and ethical guidelines are important, while it is their own responsibility to enforce it in their corresponding department. This indicates that the purchasing managers and top management play different roles in the process of ensuring compliance. Therefore, the

element of *Organizational Structure* is found to be relevant in regards to the virtue of *Congruency*.

Feasibility

The interviews provide various findings in regards to the virtue of *Feasibility* (the extent to which the organization creates conditions which enable employees to comply with normative expectations). The purchasing managers do not express any concerns in regards to being able to follow the ethical guidelines. As one of the participants commented *“I experience this as not very challenging in practice”* (2). He also stated *“If someone has worked with purchasing before, in a well-known company at least, then the person usually have [the necessary] experience to be able to deal with these things”* (2) Ulstein does not have a separate training program in regards to ethics. As previously mentioned the line leaders (purchasing managers) are responsible to enforce compliance in their respective units. One of the participants stated *“I make a training plan for all new employees, but it is not a separate activity...But, we touch upon it indirectly and refer to the personnel handbook.”*(2). Another one expressed *“What I know is on the way, and being worked on, is that we have to introduce dilemma training, in order to get the “awareness part” of it. And in a way have it ‘in front of your head’ and not just ‘in the back of your head’ ”*.

In regards to ensuring compliance among the suppliers one of the participants had the following statement *“I fear a worst case scenario that will roll upon us, and that we have to bring to our suppliers ‘four folders’ of questionnaires that has to be filled out”*(3). He continues *“This is the fear that some people have internally”* (3). Another participant stated *“I think it is OK [to follow the ethical guidelines]. But loads of schemes and such [to fill out] will increase the costs and slow down the process. So, it is important to keep it on a realistic level.”*(1) In regards to performance measurement one participant stated that *“We are mostly concerned with price, quality, and reuse of suppliers”*(1).

Commenting upon the follow-up of suppliers and conducting audits one of the participants stated *“...we have a workforce that primarily has to work with the specific purchases. So there is no time for that.”* (2). Another participant expressed *“...to demand from single supplier that they have to submit evidence, we should be able to do with the resources we have today”* (3). However, he also stated *“but we have to be a helper just as much as a questioner, with typical small suppliers and such things. This could be hard.”*(3), before he concluded *“...this will demand a lot of resources”* (3).

When one of the participants was asked about how it is for him to follow the ethical guidelines in regards to resources, he replied *“I would like to spend more time on visiting suppliers to run activities, discussions, presentations and clarifications of things in relation to this area (compliance).”* (2). Later in the interview he expressed *“When we will update our contracts, we will point out what is being changed, and point out what is important”* he continued *“following up and knowing that they (ethical standards) are being followed is not easy.”*(2).

Reflections on Feasibility

Table 10: SWM relationships of Feasibility (Own table)

| Relationships found in theory | Relationships found in interviews |
|--|--|
| <ul style="list-style-type: none"> - Corporate and Supply strategy - Performance Measurement | <ul style="list-style-type: none"> - Corporate and Supply strategy - Skills and Competencies - Performance measurement - Cost/benefit analysis - Portfolio of Relationships |

As shown in the Clarity part, according to the interviewed purchasing managers employees are aware of the guidelines and do not find them as challenging to follow. Compliance seems to be a thing that people believe they are well aware of and implicitly use in their work. However, as of today, ethical training is not a common practice in Ulstein. As the interviews revealed, at least one of the participants make training plans for all new employees; however, ethics and compliance is not a separate activity. The analysis indicates that it is important to provide ethical training so that people become well aware off dilemmas they might face in regards to their line of work. Hence, the element of *Skills and Competencies* was found to be relevant in regards to the virtue of *Feasibility*.

The elements of *Performance Measurement* and *Portfolio of Relationships* were also found to be relevant in regards to *Feasibility*. Keeping in mind from theory that complying with ethical standards can become less important in a high pressure culture where financial goals are given precedence. The interviews revealed that Ulstein’s goals are to a large degree related to finance and delivery time. Accordingly, the employees are also measured and controlled in regards to finance and delivery time. This is not only internally, but as well towards suppliers. As one of the participants described: “*we are mostly concerned with price, quality and reuse of suppliers*” (1). The interviews also indicate that Ulstein do not have a standard approach of reporting, follow-up and audits in regards to compliance. Further, the participants seems to concur that they have lack resources for following-up and knowing that Ulstein’s standards concerning compliance and anti-corruption are being followed. As one of the participants expressed “*...we have to be a helper just as much as a questioner, with typical suppliers and such things...*”. It appears that in many cases, especially with small local suppliers, they will have to start off by explaining what compliance is. This will demand a lot of resources, resources which they seemingly do not have.

They seem to concur that it is important to have a standardized approach towards the work with compliance. As one of the participants put it “*...it is important to work with standards and general methodology so that everyone may use it*” (1). However, in regards to ensuring compliance among the suppliers, they seem to share a fear. They fear that the work with compliance among suppliers (i.e. ensuring that they comply) can be blown out of proportions. They fear a rigid system will increase costs and slow down the process and may as a

consequence limit their choice of suppliers. Common for all suppliers should be that they agree to comply with Ulsteins ethical standards. However, the demands of reporting, follow-up, and audits should differ in regards to which type of supplier they are dealing with. As one of the participants expressed, small local suppliers should not have the same demand as compared to Chinese suppliers. With aforementioned reflections in mind, the elements of *Cost/benefit Analysis* and *Corporate and Supply Strategy* were found to be relevant in regards to the virtue of *Feasibility*.

Summarized, the purchasing managers do not seem to express any concerns in regard to the ability to act ethically internally in Ulstein. However, they indicated that the Feasibility of following up and ensuring compliance among suppliers is low. This is mainly due to lack of resources, but also lack of a systematic and formal approach to check the supplier’s degree of compliance. Finally, as a result of the aforementioned findings and discussion a slight redefinition of the virtue of Feasibility is introduced in Table 11.

Table 11: Definitions of Feasibility (Own table)

| Theoretical definition | Modified definition as a result of empirical findings |
|--|--|
| “Should create conditions which enable employees to comply with normative expectations.” | “Should create conditions which enable employees and suppliers to comply with normative expectations.” |

Supportability

Supportability was previously defined as the extent to which organizations support employees and managers to meet normative expectations (Kaptein, 2008). It also considers the “*relative strength of an individual’s identification with, involvement in and commitment to the normative expectations of the organization and the extent to which the organization stimulates this*“(Kaptein, 2008, p.926).

As stated by one of the participants “*We are also committed to act properly as seriously...*”(1). Along similar line another participant stated “*...respect for that we shall not step over the line since we represent Ulstein when we are doing our job...*” (3). One of the participants expressed his way of supporting his subordinates, “*Now and then we have to evaluate whether to take part in events hosted by suppliers with courses and, for instance, dinner*”(2) and “*...my purchasers have to contact me if they would like to go to an event hosted by the supplier so we can make a specific assessment of what the event is about, how reasonable it is to attend, and what pre-cautions must be taken ... this is suppliers which are natural to have a relations with*”(2).

How the organization supports ethical conduct of employees was also commented upon: “*these persons (HR director and corporate lawyer) have taken an active role and worked towards*

what we want to include in the [supplier] contracts.” (2) Furthermore, “...it is the line-managers responsibility to enforce [the policies] for their disciplines” (2). Supportability was also described by the following statement “[problems that may arise] can be discussed internally in the company first. Further, one would proceed to [the corporate lawyer] to ask for advice and put light on the case”. Finally, “Internal procedures during negotiations of big contracts, it is always reviewed and signed by two people“(1).

Reflections on Supportability

Table 12: SWM relationships of Supportability (Own table)

| Relationships found in theory | Relationships found in interviews |
|--|---|
| <ul style="list-style-type: none"> - Corporate and Supply strategy - Skills and competencies | <ul style="list-style-type: none"> - Corporate and Supply strategy - Organizational Structure - Portfolio of Relationships |

The interviews give indication that the purchasing managers are motivated and committed to act seriously and respectfully as they represent Ulstein. There is a sense of ownership in their line of work and pride of working in a company like Ulstein. One is therefore possibly less inclined to do something that may in turn harm the reputation of Ulstein. The findings also indicate that managers should encourage sub-ordinates to share and discuss any issues or doubts in regards to for example attending events hosted by suppliers. With the latter paragraph in mind the element *Portfolio of Relationships* were found to be relevant.

As well, it appears that the purchasing units receive support mainly by the HR-Director and corporate lawyer in the work with compliance and anti-corruption. As mentioned in chapter 5, the HR director and corporate lawyer have been central in the implementation of policies in regards to compliance. Through this they seem to emphasize the importance of complying with the ethical standards of Ulstein, and thus support ethical conduct. The purchasing manager’s responses also indicated this. Furthermore, the interviews show that the top management should share the responsibility of enforcing ethical standards with line managers in their respective units. These findings suggests that the elements of *Corporate and Supply Strategy* and *Organizational Structure* are relevant in regards to the virtue of *Supportability*.

Transparency

In regards to the virtue of *Transparency* – previously defined as the visibility in the organization – the analysis provides various findings. One of the participants stated “*there is never a purchaser which signs the contract alone*” (2).

Commenting upon compliance in general one of the participants stated “*It (compliance) has not been [a requirement] from our customers side, therefore it has not been much focus on it earlier as now*” (3). Furthermore, he states “...but as it increases, we find that there are audits

and controls, and consequently we have to tell how we conduct our processes (i.e. supplier selections)...There is an ongoing job in regards to documenting [the work we do] to a bigger degree than before...I don't fear that a lot will be done differently, but it will be documentable in a whole different way”(3). He concludes “I don't think our list (compared to the current) of suppliers will look differently after conducting such an evaluation”(3).

Commenting upon supplier selection one of the participants expressed that “...we have done many great evaluations of suppliers that we have used, but not in form of method of selection.” He further describes the current form of selecting suppliers “But in the form that we know them well and are very skeptical about new types of suppliers”. Moreover, he states “but documentable? Hardly, in the sense that it is based on a thoroughly gut feeling” (3).

In regards to compliance among suppliers, the same participant stated “[if] you are buying from a big international actor...they should present evidence on how they are working actively with such things (compliance and anti-corruption), while for others (small local suppliers) it is sufficient to have a set of ethical guidelines”(3). Later in the interview the participant stated “As of today, [the work with compliance] is informal since it is only discussed with suppliers, and in these cases we are not able to document [the process]...”. Another participant expressed “We in the purchasing units want to have a co-operation, and get this (compliance and anti-corruption) into our contracts, in this way we force ourselves and our suppliers to be congruent [to ethical standards].” (2).

In regards to Chinese suppliers as opposed to European/Norwegian suppliers, one of the participants stated “... [when] suppliers are Chinese, it is a bit harder to control.” (1). Along similar lines another participant stated “If someone told us that they are going to produce something in China, we will try to get a feeling on what the set-up is there. [This means] we would not just buy anything from someone who produces in China. [If this is the case] I would like to know how they do it” (3). Another participant stated “I think it is important that [requirements] are put on different levels, so that small local suppliers ... have a clear requirements concerning compliance and anti-corruption, but not the same requirements of reporting, audits, and follow-up as compared to when we do business with a Chinese supplier....”

Reflections on transparency

Table 13: SWM relationships of transparency (Own table)

| Relationships found in theory | Relationships found in interviews |
|---------------------------------|--|
| - Corporate and Supply strategy | - Corporate and Supply strategy - Portfolio of Relationships - Cost/benefit analysis |

The elements of *Corporate and Supply Strategy*, *Portfolio of Relationships* and *Cost/benefit Analysis* were found to be relevant in regards to the virtue of *Transparency*. Transparency

within the organization was not explicitly mentioned. However, as one of the participants stated, they have done many thorough supplier evaluations, but their ability or system to document it has not been present. This in turn reduces Ulstein's ability to look back and check which choices were made, and how decisions were taken. The transparency of the supplier selection process the transparency is low. It is therefore important to find a balance. Too much documents etc. may in turn increase bureaucracy, costs and time spent on the selection process. It is therefore important to agree where the level of control and follow-up should be put.

As well it is possible to draw parallels with the findings in regards to the virtue of *Feasibility*, where it was indicated that having different requirements depending on the type and location of the supplier, and the current relationship with it. It was also indicated that the purchasing managers would like to spend more time on follow-up and audits, however they lack resources to do this. To enable transparency one need to have a system for ensuring it but also necessary resources to run the system.

Discussability

In regards to the virtue of *Discussability* – the openness to discuss ethical issues – the interviews provided some findings. One of the participants stated “*It's how we operate, if there are any doubts we bring it up and discuss it*” (1). When asked about how it is to discuss themes like compliance, corruption etc. one of the participants stated “*I would say it is a low barrier...It is not a taboo in any way*” (3).

Together the three different purchasing units hold monthly forum meetings, where Ulstein Group's purchasers across business units come together and discuss relevant topics, including compliance and anti-corruption. As expressed by the first participant the purchasing units also meet regularly with the corporate lawyer or top management. Another participant stated “*It [compliance] is something we discuss with HR and the corporate lawyer*” (2). He also had the following comments in regards to compliance and anti-corruption “*I know that it (compliance and anti-corruption) has been up a couple of times in department meetings*” (2) and “*as far as I know, it is something that we have on the agenda frequently*” (2). When asked about how the ethical guidelines are used in their work one of the participants stated “*it [ethical guidelines] is also something I bring up [to discuss] at the department meetings regularly.*”(2)

Later in the interview the same participant mentioned “*it is something I speak with the people from the technical side with, where I say that they can be just as susceptible to such influence as us... Not everyone from the technical site has the same background or experience, or “antennas out” as we do*” (2).

Reflections on Discussability

Table 14: SWM relationships of Discussability (Own table)

| Relationships found in theory | Relationships found in interviews |
|---|--|
| <ul style="list-style-type: none"> - Corporate and Supply strategy - Organizational Structure | <ul style="list-style-type: none"> - Corporate and Supply strategy - Organizational Structure - Skills and competencies |

The elements of Corporate and Supply Strategy, Organizational Structure, and Skills and competencies were found to be relevant in regards to the virtue of *Discussability*.

The findings from the interviews indicate that there is a low barrier for discussing ethical issues among the purchasers and management. The purchasing managers expressed that there is an openness to raise and discuss ethical issues, and that there are regular meetings in their respective units but also up in the organization with relevant managers. The interviews indicate that there is a common understanding of the importance of ethics and compliance. Thus, the elements of *Corporate and Supply Strategy* and *Organizational Structure* were found to be relevant in regards to the virtue of *Discussability*. On the other hand, there were few examples of ethical dilemmas were described during the interview. This could be due to the fact that ethics and corruption is not an easy topic to speak about, and as well they do not perhaps want to share any sensitive information, and does not mean that they do not discuss it internally in the company.

As well, the element of *Skills and Competencies* were found to be relevant. Purchasing employees in Ulstein are perhaps more aware of compliance and ethics; however, they are not the only group that can be exposed to illegal attempts of influence. The purchasing managers often work in teams with for example technicians or sales personnel, thus it is important to create room for discussion that may in turn foster a common understanding that compliance and anti-corruption are important areas of the business.

Sanctionability

The virtue of *Sanctionability* was previously defined as the reinforcement of ethical behavior. According to theory it can contribute to an increased ethical culture by sanctioning unethical behavior and rewarding ethical behavior.

In regards to individual performances one of the participants stated “*there are no [formal] evaluation criteria in regards to purchasers (on a personal level). But there are things I give continuous feedback on which I see... in a more qualitative way*” (2). Furthermore, he stated “*...I, of course, notice to a big extent how good people are working in certain phases, and which results they are able to achieve in negotiations and such*” (2). Another participant

explained that *“You are measured on the project, whether you accommodate good purchases, deliver your drawings on time, and whether the boat is delivered on time.”* (2)

When asked about how one may be rewarded in Ulstein one of the participants replied that *“[The] Bonus plan is equal whether you are a CEO or a welding operator. You have equal bonus, so it’s not the individual’s performance that is rewarded”*. He continues *“This will remove any sub-optimal solutions where you buy to buy and sell to sell only because there is a personal reward to it.”*(3) Finally he expressed that *“if we do a good job and do it together there is a common bonus”*.

In regards to supplier performance one of the participants stated *“...if I notice unethical behavior it is definitely natural to point it out. In which case, the supplier might not be chosen in the next round. One would have to put demands for improvement, document it, etc.”*(2). Moreover, the same participant stated *“But again, this is not something we have any specific experience with.”*(2). It was also stated that *“up until today it has been mostly about finance and deliverability, [they] have, to a large degree, been the main evaluation criteria”* (1). Another participant stated that *“We have KPI’s on deliverability and quality. This is something we let them (suppliers) know about.”* (1)

Reflections on Sanctionability

Table 15: SWM relationships of Sanctionability (Own table)

| Relationships found in theory | Relationships found in interviews |
|-------------------------------|--|
| - Performance measurement | - Corporate and Supply strategy - Performance measurement - Portfolio of Relationships |

The interviews indicated that Ulstein does have performance measurement internal in Ulstein and in regards to suppliers. However, ethics and compliance is not something that is measured formally.

Employees are measured in the projects where they participate in regards to whether they accommodate good purchasing. As one of the participants mentioned, employees receive continuous feedback in a more qualitative way. Consequently, the element of *Performance measurement* is found to be relevant in terms of Sanctionability. In regards to Ulstein’s bonus plan, all employees are eligible for the same bonus if they are able to deliver the required results together. This way of rewarding seems to remove sub-optimal solutions where personal achievements become prioritized. Since there is no personal reward to “buying to buy” or “selling to sell”, employees are perhaps less inclined to put personal interests in front of the common good. Thus, it is argued that the element of *Corporate and Supply Strategy* is present.

On the supplier side, it was stated that they do not have much experience with unethical conduct among suppliers. This could support the fact that the purchasing managers do thorough checks before a supplier is chosen. As well, they are concerned with the use and reuse of suppliers with whom they trust and have good relations. This especially seems to be the case in regards with their local Norwegian suppliers. In regards to more international suppliers, especially Eastern ones, it was indicated that they feel there is less control and the current ability to ensure compliance is low. Formal follow-up and audit activity in regards to ethics and compliance is currently not something the purchasing managers take into consideration. The obvious point is, if you turn your head away from something, you are less inclined to grasp what is actually going on.

6.3 Summary of analysis

The analysis is based on the theoretical framework developed in chapter 4.4. This was in order to structure and compare theoretical findings with the empirical findings. The analysis contributed to answer the third and the fourth research questions.

The analysis resulted in a framework which has mapped the presence of the CEV virtues in Ulstein. Further, possible influence of the SWM elements on the CEV virtues was shown, which, moreover, identified room for improvement and critical success factors in terms of fostering ethical behavior and preventing corruption in regards to Ulstein's purchasing activities. These findings are discussed and elaborated in chapter 7.

As a result of the empirical findings, a modified version of the framework is presented in Table 17. The green columns symbolize theoretical elements that were found to be present in Ulstein's purchasing units. The blue columns represent new insights a result of the analysis. The blue columns are not necessarily present in today's Ulstein, however the awareness of these elements among the purchasing managers are present. Thus, the blue columns may therefore represent room for improvements. The red columns represent critical success factors for fostering ethical behavior in Ulstein. Finally, columns that are red and blue represent new insights, but is also regarded as a critical success factor.

In sum, the framework acts as a qualitative synthesis of the field of organizational culture and purchasing and supply management by combining important virtues of ethical culture through the Corporate Ethical Virtues model with the elements of Strategic Supply Wheel model. The logic behind the framework is that the ethical organizational culture in a company can be strengthened by utilizing the suggestions from the various columns. The framework analysis provided some new and interesting insights to the framework. In chapter 6.4 comments and critics of the framework are presented.

Table 16: Fostering Ethical Behavior model and the analysis result (Own table)

Green = OK, continuous effort required Blue = New insights, should be considered Red = Critical elements not yet present

| | Corporate and supply strategy | Organizational structure | Performance measurement | Skills and competencies | Total cost/benefit analysis | Portfolio of relationships |
|---|--|--|-------------------------|--|-----------------------------|--|
| Clarity - organization's ethical standards and expectations towards employees, managers, and suppliers. | Ethical standards must be concrete, comprehensive, understandable, and a part of corporate strategy. | | | Do not leave employees and managers to rely on their own moral intuition and judgment. | | Have ethical standards and guidelines for having a proper relationship with suppliers. |
| Congruency - managers and supervisors should comply and be seen as ethical in concordance with the organization's ethical standards. | Manager's behavior must be congruent to ethical standards. | Supervisors and top management play different roles depending on size of organization. | | | | |

| | | | | | | |
|---|--|---|--|--|--|--|
| <p>Feasibility - the extent to which the organization creates conditions which enable employees to comply with normative expectations.</p> | <p>Should create conditions which enable employees and suppliers to comply with normative expectations.</p> | | <p>Complying with ethical standards can become less important in a high pressure culture where financial goals are given precedence.</p> | <p>Provide employees with ethical training so that they are well aware of dilemmas they might face in regards to their line of work.</p> | <p>Avoid rigid systems that may in turn damage the company's choice of suppliers.</p> <p>All suppliers should have the same demands in regards to compliance and ethical behavior. However, the demands of reporting, follow-up, and audits could differ in regards to which type of supplier is being dealt with. This allows a more efficient use of time and resources.</p> | |
| <p>Supportability - the extent to which organizations support employees, managers, and suppliers to meet normative expectations.</p> | <p>Employees must be encouraged to comply with ethical standards. Top management commitment is essential.</p> | <p>Share the responsibility of enforcing compliance policies with the line managers for their respective disciplines.</p> | | | | <p>Encourage employees to share any issues or doubts they might have and evaluate it together.</p> |
| <p>Transparency - the visibility in the organization.</p> | <p>Should be central in the corporate and supply strategy. It should be very clear at all times who is in control and who bears responsibility in areas of activity where there is any</p> | | | | <p>Have a system for documenting which and how decisions were made in regards to supplier selection.</p> | |

| | | | | | | |
|---|--|---|--|--|--|--|
| | possibility of corruption. | | | | | |
| Discussability – openness to discuss ethical issues. | Employees should be encouraged to speak up and discuss ethical issues. | Managers should discuss ethical issues with employees, and by that demonstrating their openness and interest in discussing ethical issues which can be encountered at work. | | Create a common understanding of compliance and ethics when working in teams were people have different backgrounds. | | Have formal plans for follow-up and audit activities of suppliers. |
| Sanctionability – the reinforcement of ethical behavior. | Have a common bonus for all employees (no personal reward), to remove sub-optimal solutions where people are “buying to buy” or “selling to sell”. | | Rewards and sanctions have different effects on the ethical culture. | | | |

6.4 Comments and critics of the framework

Some critics of the framework are deemed necessary. A few of the virtues were found hard to distinguish. This had some implications for the analysis. For example, it was mentioned that training plans were made for all new employees, where ethics is something that is touched upon indirectly and referred to through the personnel handbook. This finding was placed under the virtue of *Feasibility* as it may contribute positively to enabling employees to act ethically. However, it could also be viewed as a part of how the organization stimulates the employee's identification with, involvement in, and commitment to the normative expectations of the organization, thus fitting the virtue of *Supportability*.

Supportability was found to have many similarities to the virtue of *transparency*. The reason for it could be that measures which are aimed to create more transparency in terms of compliance may also directly or indirectly support or increase the ethical conduct. To give an example, one of the participants stated “*there is never a purchaser which signs [the contract] alone*”. There is no doubt that this increases the transparency, but on the other hand it also supports the purchasing managers to meet the normative expectations in terms of compliance and anti-corruption.

These implications may also suggest that the virtues as should be viewed in relation to each other. This is much like the logic behind the Strategic Supply Wheel model, where changes in one element may in turn trigger changes in other elements.

7 Discussion on how the case company can enhance their ethical behavior

This chapter contributes to answer the fourth research question. After conducting a case study of Ulstein purchasing units and further connecting the findings with theory through the analysis, a discussion on how the case company can enhance their ethical behavior is presented. The combination between insights from organizational culture and Purchasing and Supply Management bring along suggestions to the management of Ulstein in regards to improving and fostering ethical behavior. The discussion is divided into two chapters to distinguish between possible internal- and external improvements.

7.1 Internally

The following discussion is in regards to how Ulstein can enhance ethical behavior internal in its organization.

Compliance and anti-corruption, is not about making money, but rather something to ensure the company is operating on an ethical basis and that it maintains and deserve a well-renowned reputation. As described in the literature, exposure of unethical behavior in a company can have negative consequences for the company both in regards to finance and reputation. The main goal of business will perhaps always be to maximize profit, but as it was indicated during the interviews compliance and anti-corruption is here to stay, and it will become even more important in the future.

The purchasing managers seem to have shared meanings, assumptions and values that in turn are reflected through the interviews. During the interviews a sense of purpose, proudness, and ownership was present among the interviewed purchasing managers. The organization itself was described as little rigid and often informal. Furthermore, the purchasing managers described a result-oriented culture with a focus on finance and deliverability. It was further indicated that Ulstein have a good reputation among customers and suppliers. This is a great point of departure for Ulstein's future work with compliance and anti-corruption. Ulstein have made a conscious decision to regulate ethics. Through their values and initiatives they display a commitment to increase their ethical behavior. Ulstein's previous code of conduct was deemed insufficient in this regard and, as a result, a revised version was developed along with guidelines for proper behavior. This in turn, provided more *clarity* in terms of what the organization expects of its employees in regards to ethical behavior. The new codes appear very clear and specific. This is confirmed by the interviewed purchasing managers.

With clear and understandable ethical standards in place and managers whom act congruent to the ethical standards, it will be important for Ulstein to provide necessary conditions to behave ethically. It will also be important to allocate sufficient amount of resources to work with compliance and anti-corruption. Sufficient amount of resources will be needed to manage the future process of assuring compliance both internally and externally in their activities. It is argued that compliance and anti-corruption should not be viewed or treated as a separate activity, but rather as a compliment to the already established structures and activities in the organization. In this way there might be less internal resistance to become more conscious

about ethical behavior. The aim should be that compliance and anti-corruption becomes a more integrated part of “the way things are done” among all employees. The following paragraphs presents conditions and resources Ulstein can use to enhance their ethical behavior.

Ulstein’s already established ethical committee could be responsible for managing the internal work with compliance and anti-corruption. More specifically, they would have the responsibility of ensuring necessary processes and systems required for fostering ethical behavior and assure compliance. Important processes are communication, performance measurement, awareness training. Therefore, allocating sufficient resources to run, maintain and improve these processes is essential.

Furthermore, the ethical committee could develop a more thorough system for reporting and process ethical discrepancies and concordances. This can enable a more systematic mapping of ethical decisions and issues that take place, and may act as a good basis for identifying possible future improvements of Ulstein’s ethical culture. Thus, it is important to keep in mind that reporting on discrepancies is not about placing guilt, but rather a measure to improve the underlying processes. There should be open communication on how the reported discrepancies are dealt with, and what the final outcome is. This could in turn act as an incentive for employees to make use of the reporting system. In the end, Ulstein’s ability to improve depends on the people working in Ulstein. Therefore, enabling a culture where reporting on discrepancies and learning from past dilemmas is favored, is essential for continuous improvement. It is also argued that it is important to give attention to cases of ethical behavior and unethical behavior, by rewarding the former and sanctioning the latter. This can further stimulate employees’ ethical behavior.

Performance measurement is known to affect the behavior of employees. Currently, there are no measurements in terms of ethical behavior. Ulstein is formally measuring employees and suppliers only in terms of finance and deliverability. In regards to performance measurement there is always the risk of people starting to over-focus on the measurements, and as a consequence neglect other aspects of their job. This may produce good results for that particular measurement but at the same time other areas are neglected and fall by the wayside. If Ulstein wants managers and employees to pay attention to aspects of performance beyond financial measures, they need to include such measures in their system. One simple measure could be ‘amount of ethical training courses completed’. A more qualitative measure would be simply be discussing and asking people questions about what they think about the ethical standards, how it affects their line of work, and what they think about the ethical culture of the company. The interviews indicated that today there is a low barrier for the purchasing managers to discuss ethical issues both horizontal and vertical in their organization.

It will also be important for Ulstein to ensure that all relevant work groups, apart from the purchasers, are included in this already well-established room for discussion. Including such groups in a forum of discussion is recommended. Ulstein could incorporate discussions about ethical- dilemmas and behavior in their already established meeting structure, as opposed to scheduling separate meetings about compliance and anti-corruption. This can foster a broader

understanding of what compliance and anti-corruption is, and why it is important. Top management could also meet to discuss relevant ethical issues. In this way the top management make a good example for the rest of the organization.

The interviewed purchasing managers stress the importance of conducting proper and serious business in-line with the ethical standards. In regards to this they see the need of ensuring the *skills and competencies* of all relevant employees. As the interviews indicated there is currently no formal training program for new and current employees. Ensuring the right *skills and competencies* is crucial to foster ethical behavior. Hence, providing relevant employees (e.g. purchasers, sales people, project managers, and technicians) with ethical training will make them more aware of dilemmas they might face in their line of work, as well as how to act and what to do if something is encountered. Ethical behavior can be trained on through role plays and discussion of common issues.

7.1 Externally

The following discussion is in regards to how Ulstein can enhance ethical behavior among its suppliers.

According to the interviewed purchasing managers previous supplier selections have the outcome of good and thorough processes. In many cases Ulstein use well-renowned and local suppliers, and the purchasing managers state many of these relationships are long term and involves a lot of trust. However, there is less *Clarity* in terms of ethical standards and expectations towards suppliers as opposed to employees. Ulstein's ethical standards have to be clearly communicated to the suppliers. As a minimum, they should be a part of all supplier contracts. It is important to keep in mind that although ethical standards signal a commitment to ethics, integrity and respect they do not have the impact to ensure compliance by themselves. In other words, signing a contract is one thing, but it has to be followed up with actions. There will always be the dilemma of how much control can you exert towards your suppliers without affecting the desired outcome of the relationship. The question thus becomes, how far should Ulstein go to ensure compliance?

Firstly, Ulstein has to ensure that the necessary conditions and resources are given to work with compliance and anti-corruption among suppliers. The analysis findings indicated that the *Feasibility* for following up and ensuring compliance among suppliers is low. This is mainly due to lack of resources, but also lack of a systematic and formal approach to check the supplier's degree of compliance. Hence, the ability to look back and show the process behind a supplier selection (i.e. *transparency*) is also poor. As it was indicated during the interviews, the selections are merely based on the gut feeling of the purchasing managers. There should be a standard procedure for selection and follow up for suppliers. The analysis revealed the level of follow up, reporting and audits must be seen in accordance to the type of supplier being dealt with. This is important to ensure efficient use of resources and a good *cost/benefit* outcome for Ulstein. For example, the interviews indicated that small local suppliers with whom there is a sense of trust should not have the same demands in regards to reporting, documentation etc. as compared to international suppliers in low labor cost countries. However, if this is the case it

is important that Ulstein has a process in place to documents this. This is in order to show how their evaluations were done and why certain suppliers were deemed less exposed to unethical behavior than others.

With this in mind, it is suggested that Ulstein’s ethical standards should in all cases be communicated to all suppliers. Further, one would identify suppliers in exposed countries and product ranges to get an overall overview of the risk. Moreover, an electronic self-assessment questionnaire would be sent to the supplier. The aim of the self-assessment would be to enrich the risk picture of the particular suppliers. For current suppliers the self-assessment would allow identification of possible risky suppliers where improvements and follow-ups are needed. In cases where discrepancies are found, a corrective action plan should be made either alone or in cooperation with the supplier. However, this is not to suggest blindly trusting the result of such evaluations. But it is rather to complement the *skills and competencies* of the purchasing managers and make the selection process more transparent.

In sum this could increase the *transparency* of the selection process and enable a more efficient use of resources. As well, the *Feasibility* for following up and ensuring compliance would improve.

7.2 Summary

The previous discussion has contributed to answer the fourth research question. In table 17 the suggestions for further improvement for Ulstein are summarized. In the next chapter the final conclusion for each research question are presented.

Table 17: Summary of suggestions for Ulstein to foster their ethical behavior (Own table)

| Internally | Externally |
|--|---|
| <ul style="list-style-type: none"> - Ensure necessary conditions and sufficient amount of resources to work with compliance and anti-corruption - Expand the ethical committee’s responsibility to manage the processes of communication, performance measurement, and awareness training. - Incorporate compliance and anti-corruption as a compliment to the already established activities of Ulstein. For instance, by making use of the already established meeting structure to discuss ethical issues. | <ul style="list-style-type: none"> - Have a systematic and formal approach to communicate ethical standards and ensure supplier compliance in accordance to the type of supplier - Ensure necessary conditions and sufficient amount of resources to work with compliance and anti-corruption among suppliers - Obtain an electronic self-assessment system to map risk - Make corrective action plans when discrepancies are found |

8 Conclusions, limitations and future research

Chapter 8.1 aims to conclude the third and fourth research. Moreover, in chapter 8.2 a summary of research contribution is presented. Finally, limitations and further research is described in chapter 8.3.

The first and second research questions were already concluded. The former was concluded at the end of chapter 3, while the latter was concluded at the end of chapter 4. In section 8.1 the conclusions for the third and fourth research question are presented.

8.1 Conclusions

As presented in the introduction, the third research question was evaluated by utilizing findings from the case study. Moreover, the findings were discussed and analyzed in relations to theory. The fourth research question was evaluated through a discussion of the analysis results in chapter 7.

The findings of the third and fourth research questions will now be concluded.

- RQ.3) *How do the empirical findings conform to those from the literature?*

To address the field of Purchasing and Supply Management this study took basis in the Strategic Supply Wheel model by Cousins (2002). By applying this model to structure the literature review it was possible to identify which elements are considered as important when fostering ethical behavior and preventing corruption. There is a lot of literature dealing with all the SWM elements except *Supplier Relationships* and *Cost/benefit Analysis*. However, there is little theory dealing with the role of *Supplier Relationships* and *Cost/benefit Analysis*.

There seem to be consensus among researchers that certain virtues are required to have and foster an ethical culture in organizations. The CEV model encompasses many of these virtues, and was in combination with the SWM model used to analyze the case company. The case findings of this study suggests that they are indeed important virtues that should be considered when fostering ethical behavior and preventing corruption. However, the field of organizational culture appears to be rather abstract. This is in turn reflected in the CEV model, because some of the virtues appear rather similar and interconnected. The virtues of *Feasibility and Supportability* were the most alike virtues. Some of the findings were hard to categorize due to the aforementioned similarities between some the virtues of the CEV model. It was therefore necessary to raise some critics to the suggested framework. These findings may suggest that the virtues should be viewed in relation to each other when applying them to the real world. As changes in one of the virtues may trigger changes in other elements. Therefore, in future studies, it is recommended to more clearly distinguish between the virtues.

Regardless of the abstraction level of the field of organizational culture, the SWM and CEV model provided a good basis to analyze the case findings, without making the analysis too abstract. The analysis and the subsequent discussion revealed that many of the theoretical assumptions in regards to fostering ethical behavior seems to be present in Ulstein. For example

Ulstein have ethical standards in the form of code of conducts and ethical guidelines that are comprehensive and concrete. Moreover, the top managers of Ulstein are experienced as congruent to Ulstein's ethical standards by the interviewed purchasing managers.

Finally, some of the empirical findings confirmed that there is a need for theory regarding the role of *Supplier Relationships* and *Cost/benefit Analysis* in fostering ethical behavior and preventing corruption. This could be due to the fact that in some cases, companies may be held responsible for their supplier's actions and activities. Many companies are also concerned with maximizing profit.

- RQ.4) Based on the literature- and empirical findings, how can the case company enhance their ethical behavior?

The analysis revealed that Ulstein has a good point of departure for its further work with compliance and ethical behavior. However, the analysis also showed that there are critical elements in regards to the CEV virtues of *Feasibility*, *Supportability* and *Transparency* that currently are not present in Ulstein. All these virtues are concerned with ensuring the necessary conditions and sufficient amount of resources for fostering ethical behavior.

To ensure further improvement and enhanced ethical behavior it is essential for Ulstein to assure necessary conditions and sufficient amount of resources to work with compliance and anti-corruption. A dedicated compliance management function (i.e. ethical committee) could provide ongoing support and management of relevant processes of communication, performance measurement, and awareness training. It is suggested that the management of Ulstein should incorporate compliance and anti-corruption as a compliment to their already established activities. This may in turn reduce internal resistance to change.

As the barriers for discussing ethical issues among purchasers in Ulstein are indicated to be low, it will be important to open up for all relevant work groups to take part in discussions. It is recommended to make use of the already established meeting routines to put compliance and anti-corruption on the agenda. This would allow people to discuss any issues or suggestions they might have.

Furthermore, theory suggests that training and *performance measurement* is crucial to stimulate ethical behavior by utilizing non-financial measures. Currently however, Ulstein only measure their employees and suppliers based on finance and delivery time. Thus, introducing performance measures that stimulate ethical behavior is suggested. Moreover, Ulstein does not have a formal system for providing ethical training and ensuring that employees have the necessary *skills and competencies* to act ethically. To further ensure feasible conditions that enable employees to comply with Ulstein's code of conducts and ethical guidelines, Ulstein should provide ethical training to relevant work groups (e.g. purchasing, sales, project managers, and technicians). This will ensure that the employees are more aware of and prepared to deal with ethical dilemmas.

From the perspective of purchasing managers, the way how supplier relationships are managed in terms of compliance and anti-corruption, is important in regards to fostering ethical behavior. Having in place ethical standards and guidelines that suppliers are required to follow is one thing, but ensuring that they actually are being followed is another. Currently, Ulstein does not have the necessary resources to conduct audits and follow-up suppliers. Thus, it is important to allocate sufficient amount of resources to carry out the necessary processes for checking suppliers. Moreover, the *transparency* of the process behind their supplier selections are low. Therefore, Ulstein should develop a systematic and formal approach for selecting suppliers, and communicate ethical standards to suppliers. This is important to ensure *transparency*, which is an important virtue in regards to ethical culture. Moreover, there should be a system for checking and following up suppliers in regards to compliance and anti-corruption. In order to ensure efficient use of time and resources (*cost/benefit*) it is important to differentiate between suppliers. All suppliers should have the same demands in regards to compliance and ethical behavior. However, the demands of reporting, follow-up, and audits could differ in regards to which type of supplier is being dealt with. This will allow a more efficient use of resources.

8.2 Summary of research contribution

Table 18 provides a summary of the research contributions. The findings of this research have been concluded in chapter 8.1 while this chapter summarizes contributions of this research and status of issues in the literature.

Table 18: Summary of research contributions (Own table)

| Research Questions | Status of Research Issue in the Extant Literature | Contribution of this research |
|---|---|--|
| <p>First research question</p> <p><i>What role can Purchasing and Supply Management play to foster ethical behavior and prevent corruption?</i></p> | <ul style="list-style-type: none"> - Discussed in the literature with some examples provided - In general, there is a lack of empirical data | <ul style="list-style-type: none"> - Utilizing PSM theory in regards to fostering ethical behavior and anti-corruption - Empirical data |
| <p>Second and third research questions</p> <p><i>How does organizational culture affect employee's ethical and unethical behavior, and how can organizations enhance their ethical culture?</i></p> <p><i>How do the empirical findings conform to those from the literature?</i></p> | <ul style="list-style-type: none"> - This is discussed in the literature with many examples provided. Lack of qualitative studies as opposed to quantitative studies. - The reviewed literature is mainly focused on the elements of <i>Corporate and Supply Strategy, Skills and Competencies, Performance Measures, and Organizational Structure.</i> | <ul style="list-style-type: none"> - Testing the CEV model in a qualitative study. - Findings suggests that it is also important to view the virtues in regards to the elements of <i>Supplier Relationships</i> and <i>Cost/benefit Analysis.</i> |
| <p>Fourth research question</p> <p><i>Based on the literature- and empirical findings, how can the case company enhance their ethical behavior?</i></p> | <ul style="list-style-type: none"> - General guidelines provided by the literature. However, there is a lack of empirical data and practical experience to support the suggestions. | <ul style="list-style-type: none"> - See chapter 7. |

8.3 Limitations and future research

The limitations of this research are discussed and elaborated in chapter 1.5 (Limitations), chapter 2.2 (Case study pro and cons) and chapter 2.5 (Reflections on research quality). Thus, this section will only give a brief outline of this research's main weakness. Moreover, suggestions for future research will be presented.

The main weakness of this research lies in the generalizability, since only one company was considered and explored. The empirical data originated from one case company (Ulstein Group AS) alone. The main data sources were three semi-structured interviews with purchasing managers from three different business units. Future studies could aim to interview different employees from different departments (i.e. sales) in addition to the purchasing managers. This is in order to compare their experience of the company's ethical culture and rule out possible biases as a result of small interview samples. Such studies could further aim to identify best practices for managing organizational culture in regards to ethics and compliance.

The literature review was mainly on Purchasing and Supply management, and organizational culture in relation to ethical behavior. Future research could examine stakeholder's effect on company's focus on compliance and ethical behavior. Moreover, how can the internal experience with compliance and anti-corruption be used externally towards suppliers to ensure compliance? The aim could be to identify best practices for managing supplier compliance, audits and follow-up in regards to compliance and anti-corruption.

There is also a lack of empirical research in regards to possible costs and benefits of being an ethical conscious company. For example, one could investigate long- and short term benefits and drawbacks of being an ethical conscious company. Such research might provide companies a different motivation, as opposed to loss of reputation and legal prosecution, to consider ethics more consciously.

Finally, this study implied that there is an interconnectedness between the virtues of the CEV model, and that changes in one of the virtues may trigger or demand changes in another virtue. Therefore, it could be interesting to further investigate this possibility. For example, one could investigate: how does lack of transparency in an organization affect manager's ability to support ethical conduct among employees?

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Appendices

Appendix A: interview guide

| | |
|---|--|
| Introduksjon og bakgrunn | <ul style="list-style-type: none"> • Introdusere meg selv, forklare hvorfor jeg er her og konfidensialitet. • Minne om lydopptak • Kan du si litt om din bakgrunn? |
| Generelt | <ul style="list-style-type: none"> • Hvordan vil du beskrive innkjøpsfunksjonens rolle i Ulstein? • Kan du beskrive organisasjonsstrukturen i Ulstein? • Kan du gi noen generelle beskrivelser av organisasjonskulturen i Ulstein? |
| Clarity - organization's ethical standards and expectations towards employees and managers. | <ul style="list-style-type: none"> • Er du kjent med Ulsteins Etiske retningslinjer? • Er korrupsjon/anti-korrupsjon en del av de etiske retningslinjene? • Hvordan berører de etiske retningslinjene din arbeidshverdag? • Kan du si litt om prioriteringer dere gjør i innkjøp? (av de etiske retningslinjene sammenlignet med andre prioriteringer) |
| Congruency - managers and supervisors should comply and be seen as ethical in concordance with the organization's ethical standards. | <ul style="list-style-type: none"> • De tema vi har snakket om nå. Hvordan forholder toppledelsen seg til de etiske retningslinjene? • Hvordan forholder veiledere og overordnede seg til de etiske retningslinjene? |
| Feasibility - ability to behave ethically. | <ul style="list-style-type: none"> • Hvordan er det for deg å etterleve de etiske retningslinjene? • Ser du fordeler og ulemper med å ha etiske retningslinjer for ditt arbeid? • Fortell litt om hvordan man kan ta opp tema knyttet til etiske retningslinjer og korrupsjon her i Ulstein? |
| Supportability - the extent to which organizations support ethical | <ul style="list-style-type: none"> • Kan du gi eksempler på når du må ta hensyn til etiske retningslinjer? • Eksempler på hvordan det kan påvirke dine beslutninger? • Hvordan støtter organisasjonen din deg å ta hensyn til etiske retningslinjer? • Tar du opp etiske retningslinjer og dilemmaer med andre i organisasjonen? |

| | |
|---|--|
| <p>conduct of employees.</p> <p>Hensyn, støtte, trening og opplæring, drøfting, sterke og svake sider, bevissthet, utfordringer</p> | <ul style="list-style-type: none"> • Ser du sterke og svake sider i Ulstein ift. å ta hensyn til etiske retningslinjer? • Kan du beskrive bevisstheten ansatte har ift. de etiske retningslinjene? • Ser du noen utfordringer i å høyne den etiske bevisstheten I selskapet? |
| <p>Transparency - the visibility in the organization.</p> | <ul style="list-style-type: none"> • Kan du si litt om hvordan beslutninger tas i innkjøp? • Blir du gjort kjent med beslutninger gjort i andre deler av organisasjonen? • Hvordan gjør du andre kjent med beslutninger som blir gjort? • Problematikk i etterkant, hvordan kan det tas opp? |
| <p>Discussability – openness to discuss ethical issues.</p> | <ul style="list-style-type: none"> • På hvilken måte er etiske retningslinjer ift. korrupsjon et tema som diskuteres hos dere i innkjøp? • Hva er din erfaring med dilemma som kan oppstå ift. Å etterleve etiske retningslinjer? • Har du opplevd situasjoner som ville kunne bli betegnet som brudd på de etiske retningslinjene? |
| <p>Sanctionability – the reinforcement of ethical behavior.</p> | <ul style="list-style-type: none"> • På hvilken måte vil man kunne belønnes i Ulstein for arbeidet man gjør som innkjøper? • Hvilke tilbakemeldinger kan man få som innkjøper? • Gis det tilbakemeldinger/respons ift. etisk/uetisk atferd? • Konflikt med andre mål i bedriften din? |

Appendix B: interview transcriptions

Interview nr. 1

Du kan begynne å presentere deg selv, hva du holder på med i Ulstein.

Jeg er operation manager, jeg har innkjøp og jeg har lager og produksjon. Og ellers så jobber jeg litt fram i en ledergruppe mot utvikling å sånn. UPC vi styrer med elektro, bruer til båtene, navigasjonssystem, automasjonssystem, kraftløsninger dvs store tavler eller sikringsskap som fordeler strøm til disse båtene. Vi har kommunikasjonssystem med entertainment utstyr. Dette firmaet styrer totalt 5 firma i Ulstein systemet, som er et BA selskap. Hvert sine regnskap, men også felles-målte. Vi har et produksjonsfirma i Kina, som heter Ulstein marine Equipments, de produserer nå alle tavlene i Ulstein. Det var også før laget både i Ulsteinvik og Kina. Men nå er det Kina. Styrt av UPC. Ingeniører i Kroatia har vi. Og det er et firma i Brasil, bla. som styrer med navigasjon og commisioning, kjører i gang system.

Det er spesielt Kina jeg har hatt med å gjøre. Jeg bistår produksjon der. Vi har, vi leverer utstyr til ca. 3-4 båter i Norge i året, og ca 15. i Utlandet. Mesteparten av det vi styrer med er ute i verden. Mesteparten er i Kina.

Howdan vil du beskrive innkjøpsfunksjonen? Hvilken rolle har innkjøp i Ulstein?

I hele Ulstein har vi et innkjøpsforum, som jeg C og B sitter i. Møtes ca 1 gang i måneden. Der vi ser på felles ting som kan hjelpe å gjøre hverdagen våres bedre. Ellers jobber vi i hvert våre firma. Vi er 4stk inkl. meg på innkjøp. Der har vi et beordringsinnkjøp, vi har ofte rammeavtaler med en del leverandører hvor vi beordrer innkjøp ut i fra et ERP system. Det kan være på minimumsbeholdning eller prosjekt som trigger det behovet. Også har vi det andre innkjøpet – det er da på større det på fremdriftssystemet der vi er ute å forhandler pris, og gjerne lager en avtale for det spesifikke prosjektet. Da er det større beløp. Gjerne være på flere fartøy, gjerne 10-7M. Det er i grunn de to typene vi deler innkjøp i.

Så har vi også logistikk, dirigerer og styrer disse varene rundt om i verdene på hubber og oppsamlingsplasser og leveringer rett til verft og til kunder.

Hvis du ser for deg.. Ulstein har sikkert en overordnet strategi, hvordan er innkjøp med å driver mot den strategien?

Vi har visse avtaleverk, rammeavtaler standarder og boxes and clothes som følger en standard som heter orgaline den følger vi bestemt etter Ulstein. Den er Ingvild med å utvikler og setter de standarder vi skal følge. Det har litt med risiko og lover og regler. Tidligere hadde vi andre standarder, nå stort sett denne vi følger. Så må en gjerne tilpasse litt individuelt ut i fra det, av og til men vi har det som en basis.

Kan du si litt om Ulsteins organisasjonsstrukturen?

UPC, delt hele bedriften i to profittsenter. Det viste seg at en del av bedriften/segmentet som har med Fremdriftssystemet var veldig prosjektrettet, dvs. den er fra fartøy til fartøy. Den er litt i endring og sånn, mens det som vi produserer gjerne er mer et produkt/produktifisering litt mer i retning av serieproduksjon tankegang. Så har vi laget et senter som heter system and service, de styrer med prosjektrettet ting – som power, tavle og tavlesystem og engineering - de har også service (ettermarked) igangkjøring og comissioning (når båten kjøres opp og testet).

Interview nr. 1

En del europeiske leverandører som etablerer seg der borte. Det hjelper. Noen leverandører har jeg vært med rundt for å sjekke, sjekker litt med kvalitet, leveringsevne, ordre og sånn da ser på. Da får man med seg litt rester også. Så.. Men det er klart.

Rester?

Ja, Vi sjekker litt med kvalitet og leveringsevne og økonomi og sånt. En ser jo litt i anleggene og ordrene hvordan systemene er. Men det er klart at det er Et anna land og verdens del der kanskje HMS og forskjellig kan være litt forskjellig fra det vi har her i Norden.

Du har opplevd det at det kan være litt forskjellig? Jaja, klart, men ikke innen korrupsjon. Det har jeg ikke vært borti.

Hvordan vil du si etiske retningslinjene berører din arbeidshverdag?

Det er klart den berører. Hvis vi i forhandlinger eller innhenting av tilbud eller kontakt med leverandører hvis vi vil, hvis leverandøren prøver gi påskjønnelser eller andre, som ikke er etisk rett vil vi jo møte det med en gang. Men jeg har ikke møtt det.

Du har aldri møtt det? Nei, nei.

Hvordan du føler du at dine overordnede forholder dem seg til etiske retningslinjer?

Jeg tror, jeg føler at de også oppfører seg. Vi skal drive seriøst og skikkelig, det er grunnlaget ... at vi ... skal vi drive så er det på en seriøs og skikkelig måte.

Dere er jo i en implementeringsprosess nå. Hva er toppledelsens rolle der?

De er jo positiv til alt som forbedrer og sånn, men når man kommer ned på lovverket er det ofte delegert ned mot innkjøp da f.eks. Og det er de som jobber med dette med lovverk og det og sammen med Ingvill og de. Så...

Hvordan er det for deg å etterleve de etiske retningslinjene?

Jeg synes det er helt greit. Det er klart, hvis det blir fryktelig mye skjema og slikt. At skjemaveldet tar av, så synes jeg det fordyrer og senker gjennomføringsprosessene. Så det er viktig å holde det på et realistisk nivå. Ehh. Det er det.

Ser du noen fordeler og ulemper med å ha etiske retningslinjer?

Jeg ser ingen ufordeler. Det er jo fordeler at man har en standard, og hvis man kommer borti en eller annen fremtidig sak, det kan jo være med kunde eller leverandør, der du ufrivillig blir innblandet, så er det jo slik hvis dette er på plass så er en jo litt mer reinvasket når en har vært gjennom det. Så da er en utenfor den problematikken, det er i alle fall det positive. At en bidrar det å holde det på det nivået. Det er positivt.

Hvis det viser seg at det er noen problemer, hvordan kan man ta det opp?

Interview nr. 1

Det kan man ta opp med overordna, internt i selskapet gjerne først. Videre går en gjerne videre til Ingvill for å spørre om råd å sette lys på saka. Det slik vi opererer, hvis vi er i tvil om noe så løfter vi det opp og diskuterer igjennom det.

Hvordan diskuterer dere det?

Innkjøpsmiljøet har jo faste møter. Vi har også innkjøpsforumet der vi på generelle ting kan diskutere å se på ting, eller vi kan rett og slett ha møte med eller kommunisere med konsernadvokat eller ledelse. Det er regelmessige møter med toppledelse generelt.

Pleier du å ta opp dilemma som kan oppstå ift. compliance og etiske retningslinjer med andre i organisasjonen?

Ja, altså. Pga. prekvalifisering og pre salg og slikt så jobber vi fremme sammen med salg en del – fra innkjøpssiden. Så det er klart en er inne på det samme lovverket. Ofte får kanskje salg inn noen spesielle vilkårlike krav gjerne ut i fra verden som man da ser igjennom. Det kan jo være garanti eller anna som de ønsker, som vi får til helt greit. Så ser vi igjennom sammen med innkjøp om dette er noe vi kan være med på eller ikke. Så på den måten så siler vi en del der også. Men vi har ikke vært borti noe korrupsjon eller noe sånt, kan ikke kalle det etiske problem heller, men klart villkår som kanskje går i kanten av å være litt sterke da.

Ser du noen sterke å svake sider ift. å ta hensyn til de etiske retningslinjer?

Nei, ikke noe annet enn hvis en skal innføre et større skjemavelde, så fordyrer det. Man skal holde det vedlike og på en måte gjennomføre det sånn, det kan være krevende ift. om det er en stor leverandør og store kjøp så kan en forsvare det, men små kjøp eller små leverandører så er det litt vanskelig om man skal bruke samme malen i alle fall.

Hvorfor det egentlig?

Fordi, hvis det var en transportør eller en leverandør man kjøper med for 50'000 i året, kjøper 3 eller 2 kjøp i året, skal en da innføre en hel, hva skal en si, et skjemavelde der så er det når gjelder arkivering ikke et problem men en kostnad. Og spørsmålet er om effekten, når beløpet er så små.

Ser du andre utfordringer ift. å høyne den etiske bevisstheten?

Nei, ikke annet enn hvis en skal jobbe mot andre verdensdeler og land med andre kulturer. Så er de kanskje ikke tilpasset alle land disse retningslinjene vi har da beveger oss inn i. Og hvordan skal man håndtere det? Som arve fortalte oss, hvis du kom til en ny leverandør i et nytt land som kanskje ville ha forskuddsbetaling på et eller annet på andre premisser enn vi er vant med, så må en håndtere det. Vi skal da ikke gå inn på det, da må en skjære av leverandører. Det er løsningen da.

Kan det oppstå noen dilemma da ift. sånne ting når dere må kutte?

Jeg er ikke oppi det idag da. Jeg tenker jo bare i en tenk situasjon, dilemma nei, en må jo velge en anna leverandør da, og evt. et anna land da hvor en kan unngå et slikt problem.

Så dere har ikke vært borti et slikt type dilemma?

Nei, jeg har ikke det altså.

Interview nr. 1

Du var så vidt innpå det, hvordan tas beslutninger i innkjøp? Du nevnte at dere var 2 i en kontraktsammenheng.

På kontrakts kjøp så er ofte salg i en forhandling, og da kommer gjerne innkjøp inn å begynner å forhandle priser med leverandører.

Hvilken rolle har slag?

Salg, skal selge produkter for firmaet. Så de er å forhandler med en eller annen kunde. Det kan til og med være i Ulstein, eller en ekstern kunde. Da kan det være et spørsmål om pris, kvalitet, leverandør, leveringstid og forskjellig sånt. Da må innkjøp på banen og forhandle pris med leverandører. Det kan være faktisk valg om hvordan leverandører en kan bruke, eller om en kan velge det fritt osv. Så der skjer det en del ting, i dette er det valg man kan gjøre. Vi går jo da stort sett på pris og kvalitet og gjenbruk av leverandører. Dette med leverandører som man stoler på og er i et forhold med er slikt som teller høgt. Så gir en tilbake igjen til salg det en får inn av priser, leveringstid og vilkår. Også blir evalueringen av det, blir det da et salg så aktiverer enn det som er innhentet av tilbud. Og en jobber da gjerne 2 en utarbeidet kontrakt, også er vi 2 innkjøpere som signerer.

Hvis en beslutning gjøres i Shipping og design f.eks., ift. Innkjøp, er det ting dere får høre om?

Nei.

Så dere pleier ikke å gjøre hverandre kjent med beslutninger som gjøres?

Nei..... Så med rapportering og sånn, det vi måler oss selv på, det vi har KPI'er på leveringspresisjon, på leverandører det har vi på kvalitet av det og slikt. Og det får de vite med oss. Vi måler hver måned. Videre så har vi med salg, har vi rapporteringer, men vi har oversikt på pris og prisutvikling og sånn.

Du nevnte dette med KPI'er ut mot leverandører, har dere noe slikt internt?

Ja, vi blir velt målt til typisk UDS. Men da er vi en leverandør til deg. Du tror? Jeg tror, men jeg vet ikke. Vi måler alle våre utgående varer, ift. hvor flinke vi er til å lever, og vi måler inngående varer fra leverandørene. Og, ellers er det masse interne målinger vi har på varemottak og forskjellig sånn logistikk og produksjon og timer og slikt. Men det er internt.

Men i forhold til arbeidet man gjør, er det noe målinger der?

Ikke som vi rapporterer fast på. Bortsett fra, vi har hatt forbedringsmålinger. Vi har sett på timesforbruk og hva vi får igjennom. Så en kan jo si, vi kjøpte vel for 125M i 2011 og vi kjøper for over 200M nå på mindre bemanning.

Hva tenker du om det?

Det er vesentlig. Det har litt med rutiner og systemer og sånn som vi har fått standardisert og innført. Vi har også redusert antall leverandører. VI HADDE VELDIG MANGE SMÅ LEVERANDØRER

Hvilke tilbakemeldinger kan man få da?

Da går vi inn på, vi har budsjett og årsbudsjett og vi har litt oppfølging med økonomi, så vi ser på forbruket av timer og kostnader, og egentlig litt hva vi får igjennom

Kan det gis tilbakemeldinger ift. etisk eller uetisk atferd?

Ja, i alle fall i innkjøp sånn så snakker vi om det. Og selvfølgelig, er det slik at hvis noe skulle oppstå, så skal vi snakkes om det for å se hvilken aksjon som skal gjøre eller ikke?

Interview nr. 1

Hvordan vil det foregå?

Nei, det kan jo være hvis en kar fikk et tilbud om en reise eller et eller annet da, som var fullt dekket og greier. Da må vi snakke, må til mail, vi må snakke om det er greit eller ikke. I Ulstein systemet er ikke det greit. Da må vi dekke en del av det selv.

Du snakket om de målingene nå, kan de komme i konflikt med andre prioriteringer dere har?

Nei, det er bare noe vi vektlegger bare ut ifra leveringsevne ift. leverandører det er veldig viktig fordi hvis vi ikke leverer i tide, kan vi få dagbøter. Så det er bare en av flere vektinger på leverandører. Og de leverandørene som ikke har god nok leveringsevne. De må vi jobbe med å forbedre. Det er også leverandører som vi har gitt opp, og flyttet de, fordi de ikke er god nok i levering.

Hvordan går dere fram når dere skal forbedre en leverandør?

Da har vi stort sett møte med alle litt sånn løpende. Det kan være fysisk måte, telefon samtale eller anna. Da må en si det en vil ha forbedret, «det er ikke bra nok», vi må få til felles forbedring, ellers kan man ikke fortsette. Man prøver gjerne flere forsøk over tid. Vi hadde en stor leverandør nede i 40-50% og hadde mye feilleveringer og hadde mye feil leveringer. Da var den vel tett for at vi måtte bytte den ut. Det skapte mye støy og kostnad for oss. Men i dag er jo den leverandøren opp i 90 %.

Hvordan klarte dere det?

Vi hadde mange møter. Jeg var der og de var her. Vi så litt på systemer og hva som skar seg. Måtte jobbe litt med de.

Hvordan verdier tror du må være tilstede i bedriftskulturen for å sikre den videre fremtiden?

Ehh. Jeg tror vi må... Vi må være omstillings, vi må ha evnen til omstilling.

Hva legger du i omstilling?

Evnen til å tenke nytt. Evnen til innspill, rasjonalisere oss. Og vi må fremstå som seriøse. Det er viktig at en er seriøse og jobber målrettet og at vi utvikler oss. At en utvikler seg, og at det er kvalitet og fremtidig det en styrer med.

Hvis du sammenligner det du beskrev nå, med dagens Ulstein?

Jeg tror Ulstein er godt i gang med det. Men jeg tror vi kan jobbe med det for å bli enda mer effektive og bedre så tror jeg vi har en del å gå på fortsatt.

Hva tror du blir det viktigste for å bli mer effektiv?

Jeg tror på, kanskje, standardisere visse ting inne i prosjektmodellene ville hjelpe. Jeg tror en må ha stort fokus på videre utvikling og innovering for å være fremme i markedet, for å ha nye og gode fremtidsretta produkt slik at man har et marked som etterspør det.

Og hvis du tenker ift etikk?

Det er klart det er viktig. En skal fremstå som seriøs og skikkelig. En skal ikke ha på seg noe ugreier, en skal være seriøs og skikkelig. Det er viktig at etikk er på plass.

Hvis du ser for deg den maritime industrien generelt, hvordan er etikk tilstede?

Jeg tror faktisk den er ganske bra, det tror jeg. men det klart sånn som i Norge så er det små miljøer og sånt. Men jeg har et inntrykk av at den er bra.

Interview nr. 1

Hvorfor det?

Jeg har ikke hørt noe galt om det. Men det kan jo andre som har mer kjennskap til, kanskje de som er på verftet eller anna. Men jeg kjenner ikke til det. Jeg vet fra emballasjeindustrien har det vært forskjellig rusk, og transportselskaper. Men, ehh..

Hvor lenge har du jobbet i Ulstein?

3år, og før det har jeg jobbet i møbel.

Møbel?

Ja

Så jeg vet at emballasjen der det var korrupsjon for en del år siden. Og jeg vet også på fisk har det vært ting. Men ikke kjent med at det i Norge har vært noe, men det kan det jo ha vært.

Det var egentlig det. Er det noe du vil legge til?

Et lite innspill. Det bør være, med etiske retningslinjer, er det viktig å jobbe med standarder og generell metodikk slik at alle kan ta det i bruk. Det tror jeg er viktig. Og også gjerne at en får det inn i lovverket både nasjonalt og internasjonalt, slik at en blir litt tvunget inn i det. Men holde det på et overkommelig nivå. Jeg var med på 90tallet på, det var ISO9000 som en fikk som et krav så startet masse bedrifter med det. Også vart det ikke et krav for alle. Veldig mange kastet arbeidet sitt underveis. Da var det spørsmål om det den gang var for stort og omfattende, en skulle dokumentere søppelet og alt mulig. En burde begynt litt smalere også ha et lovverk.

Og tenker vi jo litt her, at vi burde hatt et prekvalifiserings skjema elektronisk helst med database. For å være leverandør hos Ulstein, så må en klikke seg igjennom og godta og svare på seg. Da har en det for alle selskaper, og hadde en lagring i det.

Er det noe dere diskuterer?

Vi diskuterte det i innkjøpsforumet at det hadde vært fint. Pådrivere for å få på plass standarder, og at de er nødvendig omfattende men ikke verre enn at de er håndterbare. Så vi ikke ender i et slikt skjemavelde, som på en måte ja.. ikke er reelt forankret. Det er vel egentlig det.

Interview nr. 2

Intervju nr. 2

Du kan si litt om din egen bakgrunn.

Ja, det som er relevant i forhold til denne jobben og innkjøp. Så er det jo at jeg jobbet 3 år i sjøforsvaret og forsvaret for øvrig for så vidt. Større og mindre anskaffelser opp til rammekontrakter på fregatter og den type ting. Og så har jeg jobbet i Oddfjell drilling, drillingbransjen, hovedansvarlig for alle rammeavtaler i konsernet. Og så har jeg nå jobbet i 3 og et halvt år som senior innkjøper i Ulstein Design. Siste 2 år som leder for avdelingen, manager i supply chain department. Da er det systemleveranser, hovedutstyr til skip vi håndterer. Det en ofte kaller A-utstyr. Så vi kjøper hovedsakelig systemleveranser med verdi fra, normalt sett, rundt 0.5M-1M og oppover til ganske mange titalls millioner per leverandør.

Du snakket litt om rollen din, men kan du si litt mer om rollen din i Ulstein?

Jeg er som sagt avd. leder for supply chain avdelingen på Ulstein Design. Som er det største selskapet i forretningsområdet Design and Solutions. Så en lignende rolle har i UPC, og Are i Verftet. Litt om rollen, så er jeg ansvarlig for 4 innkjøpere. 2 senior og 2 vanlige og 2 logistikk koordinatører. Mine folk blir avgitt til ulike salgsprospekt, der de jobber med å prise hovedutstyrspakker og håndterer det hovedutstyret hele veien i mellom, der det blir kontrakter, er en da ansvarlig for å formalisere kontrakter og følge dette helt opp mot skipsleveringen. Det er helt grovt.

Hvilke type strategi har dere?

Vanskelig å beskrive kort. Men et sentralt element i strategien er at vi pålegger våre leverandører til å ta et systemansvar for sine leveranser inn i prosjektet. Og det vi kjøper inn er jo hovedutstyr som nevnt, i tillegg så har vi for så vidt flere strategier ift. hvilke typer anskaffelser det er snakk om. Så vi har etablert ift. om det er flaskehalsprodukt, om det er mer i retning av volumprodukt, slike ting, om det er strategisk viktige produkt. Også er det nok sånn at vi ikke skiller veldig sterkt mellom disse forskjellige. Og vi velger stort sett konservativt anerkjente leverandører. Delvis nye spenstige tekniske løsninger, men stort sett på anerkjente store internasjonale leverandører. De fleste av de har hovedkontor i Norge.

Hvorfor velger dere anerkjente fremfor andre?

Det har hovedsakelig med kundesiden. Rederen ønsker vanligvis slike produkt i sine skip, og de fleste som kjøper Ulstein fra Ulstein er villig til å betale det det koster for god kvalitet. Det er det korte svaret på svaret.

Du nevnte dette med redere? Hvordan passer de inn i bildet?

De er jo sluttkunden for alle prosjekt som vi operer med. Vi skriver vanligvis kontrakter nesten alltid med skipsbyggingsverft. Internasjonale prosjekt vi stort sett jobber med. Da er det jo en reder som vi normalt har vært i kontakt med i det løpet, så vi kommuniserer både med reder og verft. Da vil reder sine preferanser komme frem i den prosessen. Og det er også snakk om antatte preferanser, vi må anta at den og den redere, er det en hollandsk reder, så vil vi nok tro at han ønsker en del hollandsk utstyr der det er mulig. Dette er ting vi prøver å avklare. Eller om det er åpent for at vi kan velge fritt nærmest. Så er det en liten ting på siden, det er jo det at vi også leverer design her til verftet også. Men da er ikke hovedutstyret håndtert av meg og mine folk, da er det normalt Are og den innkjøpsorganisasjonen som kjøper inn. Det var et unntak. Det var Blueship, vi bygde 10 båter her og de 2 første var det jeg som håndterte hovedutstyret den gangen. Fordi, vi skulle ha mulighet til å gjøre dette her ute i verden, og gjenta suksessen, så fikk lov å håndtere dette i starten.

Interview nr. 2

Dere jobber også på tvers?

Ja, absolutt. Vi har avdelinger som samarbeider i alle retninger. Og vi er veldig optatt av å gjøre det på en god måte.

Hvilke verdier tror du interessenter som kunder eller leverandører ville ha beskrevet Ulstein med?

Ryddig, redelig, og fair. Sannsynligvis, vil de beskrive det som at det er krevende å komme inn som en ny og ikke-etablert leverandør. De som ikke er det vil føle at det er krevende å komme inn. Det skal det også være.

Hvorfor det?

Det er klart vi må stille en del krav til produktene selv, vi ser på referanser og hva de er kapable til. Når vi hopper på nye ting, da skal det være godt vurdert teknisk, og naturligvis finansielle sider ved det. Så vi gjør sjekker på leverandører, vi bruker vanligvis ikke mye energi på audit-aktiviteter. Så hørte vi i svært stor grad, velger leverandører på ny og på ny. Og de fleste leverandørene av hovedutstyr, altså det er ikke et leverandørmarked der det kommer veldig mange nye leverandører inn på dette store hovedutstyret. Det er snarere, at det er enkelte som blir kjøpt opp. Så vi kjøper jo stort sett fra de anerkjente, store i bransjen. De unntakene som blir gjort, er hvis det er spesielt interessante tekniske løsninger, eller det er en reder som har veldig lyst på et bestemt utstyr fra en bestemt leverandør.

Hvor kjent er du med Ulstein sine retningslinjer?

Ganske bra kjent. Vi hadde jo også en gjennomgang i innkjøpsforum, som jeg er medlem i, for noen få uker siden. Og i dag, hadde vi en gjennomgang i ledergruppa, dei etiske reglene har blitt revidert. Personalhåndboka er nå oppdatert. Det kjenner jeg ganske godt til. I tillegg så kjenner jeg til forsvaret og forsvarsindustrien hvilke regler som var der, de er jo er av de strengeste i klassen.

Er det mye av det samme?

Ja, veldig mye likt. Jeg opplever svært sjeldent at vi opererer i gråsonen ift. sånt. For ikke å si aldri.

Kan du si litt om hvordan dere buker retningslinjene i arbeidet deres?

Innkjøperne er bra kjent med det vil jeg si. Det er jo også ting jeg tar opp med vise mellomrom på avdelingsmøte med jevne mellomrom. Mye av dette er for så vidt basert på sunn fornuft, så det handler mye om å være bevisst. Og innkjøperne mine er også da... veit at hvis de føler de opererer i grenseland, så skal de klarere ting med meg. Så jeg tar det til vurdering, så må jeg bare gå videre oppover i organisasjonen, hvis det oppstår dilemma da. Så jeg opplever det som lite utfordrende i praksis.

Hvordan ble du kjent med de etiske retningslinjene?

De leste jeg kort etter jeg ble ansatt.

Hva med de reviderte?

Orientert om på pre-orientering fra konsernadvokaten og HR i group. De orienterte om det i innkjøpsforum for en tid tilbake, også hadde vi i leder møtet i dag en orientering

Hvordan var det?

Interview nr. 2

grenseland. Jeg tror selv at jeg er i den kategorien og dermed ikke får. Det kan være de som er mer mottakelig for sånne type henvendelser, det kan det være. Men jeg opplever at i den bransjen for hovedutstyr som vi holder på med så er det som sagt store anerkjente leverandører det er store anskaffelser. En er livredd i de selskapene også for å trå over noen grenser.

Jeg tror det er mye mindre av det nå enn før da.

Før?

Ja, altså når en hører litt historier om hvordan ting har vært i ulike bransjer 20-30år tilbake. Så er det åpenbart at det har vært ukulturer flere plasser, ift. å la seg påvirke. Ja, forhold som i dag sikkert har gått som korrupsjon. Men det blir noe mer løst, som var før min tid i arbeidslivet egentlig.

Hvordan føler du at toppledelsen forholder seg til de etiske retningslinjene?

Nei, veldig opptatt av å følge spillereglene. opptatt av at det skal eksisterer slike retningslinjer og at de skal være kjent. Og ja. Så blir det et linjelederansvar, sånn sett og håndheve for sine fagområder og folk. Samtidig som det også er selskapslederen sitt ansvar.

Hvordan er det for deg å etterleve de etiske retningslinjene, da tenker jeg ift. ressurser?

Nei, kunne nok ønske å bruke mer tid på leverandørbesøk der vi har ulike aktiviteter, diskusjoner, presentasjoner, presiseringer av ting som også går inn mot dette området. Der en faktisk snakker om det og nevner det. Men all den tid vi, har en bemanning som gjør at vi primært må jobbe med de konkrete anskaffelsene som er. Så blir det ikke tid til det. Men, det er klart at nå vi nå oppdaterer kontraktene, så vil vi jo påpeke hva som blir endra, og påpeke at dette er viktig. Så er det klart at det å følge det å vite at det blir fulgt opp i disse bedriftene er ikke så lett.

Ser du noen fordeler og ulemper å ha etiske retningslinjer i forhold til arbeidet ditt?

Jeg synes det er veldig greit. Det gir ikke rom for utbredte misforståelser hos folk, slik at alle må lese det, alle må gå igjennom det, det finnes ingen unnskyldninger for å operere på kanten med det. Det er veldig greit for folk å vite hva de har å forholde seg til. Det er ikke alt som er skummelt å farlig heller, en skal jo også være bevisst på det, at det må ikke gå utover at en kan ha relasjoner til leverandører, det er bare at det må være på en ryddig måte. Og det tror jeg bare er positivt.

Kan du gi eksempler på når du er nødt til å ta hensyn til de etiske retningslinjene?

Nei, jeg føler ikke det er så mange spesielle. Det er jo hele veien igjennom, det er klart det er i den grad en får forespørsler. Kanskje i forhold til messer og slike ting. Hvis en skulle få forespørsel om opplegg fra en leverandør, som virker mer i retning av å drive med «dining and wining» og skape en unaturlig tett relasjon der de ønsker å fiske ut spesielle fortrolige opplysninger og slike ting. Men ja, det er fryktelig sjeldent at vi får slike typer henvendelser.

Hvordan blir det her med korrupsjon tatt opp som et tema i Ulstein?

Nei, det er litt som jeg sa at... Tatt opp gjennom vårt innkjøpsforum. Jeg vet det også er tatt opp med salg. Vi har hatt det i ledergruppen ved flere anledninger. Jeg har hatt det oppe et par ganger i avdelingsmøter. Ut i fra det jeg kjenner til, så er det noe som vi ganske sånn jevnlig har på dagsorden.

Pleier du å ta opp dilemma ift. compliance og etterlevelse av retningslinjene?

Ja, litt med mine innkjøpere at de skal ta kontakt med meg i den grad de ønsker å være med på leverandørrangement så tar vi konkrete vurderinger på hva som er opplegget, og hvor fornuftig det er og hvilke hensyn en må ta eventuelt. Også er det av og til noe som jeg snakker med folk på teknisk

Interview nr. 2

side med, der jeg sier at de kan være likeså utsatt for slik påvirkning som vi. Fordi, innkjøperne er nok ganske bevisst på det. Det er ikke alle på teknisk som nødvendigvis har samme bakgrunn eller samme erfaring, eller antennene ute på samme måte som vi har. Så jeg har av og til snakket med folk om det da.

Ser du noen fordeler og ulemper med å ta hensyn til etiske retningslinjer?

Nei, altså fordeler viser jo vi at vi er et seriøst selskap som forstår dette er viktig. Som tar et samfunnsansvar om du vil (litt svulstig ord kanskje). Ulempen kan være at vi virker litt store og rigide og maler fanden på veggen at dette er noe som virker overdrevent og litt søkt kanskje. Det kan nok være enkelte små leverandører som tenker det, og som syns at dette var voldsomt til formalisme og fokus på dette området her. Men slik er det, og det er nok kommet for å bli og det blir nok enda mer fokus på det fremover. Så jeg tror ikke det er noe vi trenger å bekymre oss så mye for.

Kan du si litt om hvordan beslutninger tas i innkjøp der du jobber?

Alltså før kontrakt, veldig mange beslutninger blir tatt før kontrakt. Da er det jo litt komplekst, det er jo et salgsteam bestående av en selger og en naval-arkitekt og innkjøperen, men også med andre som delvis er inne i dette salgsteamet anna teknisk fagkompetanse blant anna. Slik at det er en del vurderinger som blir tatt sammen, vurderinger som blir gjort alene, noen blir gjort på teknisk basis i hovedsak, noen blir gjort på kommersiell basis i hovedsak. Og det foregår teknisk kvalitetsikring naturligvis, opp mot dette utstyret om det oppfyller krav til det tekniske. Også er det vi på innkjøp som er hovedansvarlig på de kommersielle sidene her, og da er det jo klart forespørsel og tilbudsbehandling og forhandlinger og alt det her. Det er ganske komplekst, det er vanskelig å peke på noen tydelige ting som er likt i hver prosess. Men vi vurderer alltid flere løsninger, av og til går vi bredt ut og andre ganger går vi smalere, og det er kanskje en del sterke preferanser som vi da velger å hensyn ta fullt ut eller delvis ønsker å komme i diskusjon med de på å vurdere der vi ser at noen enten er bedre teknisk sett eller billigere, eller dyrere der du er bedre også. Det er naturligvis basert på kunnskap vi sitter på, på de leverandørene vi kjenner best. Det er de jo ikke tvil om da.

Hvis du tenker ift. prestasjonsmålinger, er det noe dere har her i Ulstein?

Av leverandører eller oss selv? **av Dere selv.**

Jeg tror jeg skal holde meg til å svare for innkjøp og logistikk sin del. Nei, vi har ikke eksakte prestasjonsmåling. Jeg som avdelingsleder registrerer naturligvis i ganske stor grad hvor bra jobb folk gjør i forskjellige faser, og hvilke resultater de klarer å oppnå i forhandlinger og sånt. Men, og det er klart vi av og til blir stilt krav til å spare inn så så mye i et aktuelt prosjekt. Som enten betyr at vi må forhandle og få ned prisen med den leverandøren en prøver å få inn eller en må gå til andre leverandører for å komme lavt nok i pris. Men ikke egentlig noe evalueringskriterier ift. innkjøperne sånn sett. Men det er jo ting jeg gir tilbakemelding på løpende underveis på det jeg ser, også at jeg kopierer bare samtaler på en mer kvalitativ måte da.

Gis det noe tilbakemeldinger eller respons ift. etisk eller uetisk atferd?

Klart hvis jeg registrerer uetisk atferd, da er det definitivt naturlig å påpeke det. Og da vil, kanskje ikke den leverandøren være aktuelt i neste runde. Da må en stille krav til forbedring og dokumentere det osv. Men, igjen da så er det nok ikke noe vi har særlig erfaring med altså. Det er det ikke.

Hvordan verdier tror du må være tilstede i bedriftskulturen for å sikre Ulsteins videre fremtid?

Jeg tror en kommer veldig langt med å ha en holdning til det at en skal kunne stå for de valgene en tar. Og at en skal opptre ryddig, jeg synes de prinsippene vi hadde med oss fra offentlighet innkjøp

Interview nr. 2

som går på etterrettelighet og etterprøvnbarhet av valg og sånn som en har gjort og likebehandlingsprinsipp det er veldig, en kommer veldig langt med det egentlig. Også tror jeg det at åpenhet og takhøyde og dermed ikke være redd for å varsle om ting som en ser, om det så skulle gå på egne kolleger er involvert i. Det er viktig. Så tror jeg informasjon og opplysning slik en har tatt bra tak i fra Group siden, gjennom ulike tiltak at det er med på å bygge og styrke kulturen. Det er jo også et ganske godt opplæringsystem for ansatte, i alle fall om hvor slik informasjon er tilgjengelig. Og tror også det blir informert litt i grove trekk da på samlinger.

For dere som sitter i innkjøp får dere noe opplæring og slikt ift. etikk?

Jeg lager opplæringsplaner for alle som blir ansatt, og det er nok ikke en egen aktivitet i den opplæringsplanen, det er det nok ikke. Men vi er indirekte inne på det, og vi viser jo til personalhåndbok som skal leses igjennom og slike ting. Og det er klart har en jobbet med innkjøp tidligere og gjerne kjent selskap i hvert fall så har en som regel god ballast for å kunne håndtere det. Det er egentlig ikke så veldig annerledes krav vi må forholde oss til enn alle andre.

For din egen del, føler du at du har fått den opplæringen?

Nei, jeg føler jeg hadde det i blodet fra før. Både fra det sterke fokuset i offentlige innkjøp og Oddfjell drilling som leverandør til Statoil og andre operatørselskap som nok er driveren for at slike krav eksisterer i denne bransjen. Så jeg føler meg på trygg grunn i forhold til det.

Og ift. ansatte?

Nei, det er klart at det der må jeg jo vurdere hver enkelt da om det er behov for. Jeg ser jo hvordan de oppfører seg, jeg er jo med i mange møter som de har med leverandører. Sitter vi forhandlinger eller andre sammenhenger der det er naturlig at noen kan bli påvirket er det alltid en fordel at en er mer enn en som er der. Og vi setter oss heller ikke slike situasjoner at vi... altså når vi signerer kontrakter f.eks. så signerer jeg alltid på kontrakter selv, det er aldri en innkjøper som signerer alene. Og kontrakten er på vårt format, så det er veldig greit, vi har på kontroll på formuleringer og innhold. Så opererer nok på en veldig trygg basis da, vil jeg si, på de tingene. Også er det viktig dette som går på det med leverandør-kontrakt formelt/uformelt ellers. Jeg sitter jo ikke å avlytter alle samtaler som er, en må bare appellere til at folk opptrer ryddig og skikkelig. Forklare hvor viktig det er. Så det er jo vi ser på i rekrutteringsprosesser også, at det er folk som faktisk har disse evnene og de rette holdningene. Det er viktig.

Det er nok litt sånn at vi ser at det er viktig, vi skal opptre ryddig og vi skal informere og gå vi litt utenfor disse hovedveiene med de kjente store leverandørene, driv vi med sourcing-aktivitet mot kina og andre plasser så må vi nok løfte blikket mer.

Det gjør dere vel allerede?

UPC gjør det. Han som var her nå. De kjøper inn komponenter og mindre småprodukt som de setter sammen, produkt som de selger til oss. Men vi kjøper systemleveranser, og gjør vi det fra Rolls Royce eller Vertsela eller Catepillar så er det store leverandører som vi forventer opptrer ryddig. Da er det litt enklere for oss.

Appendix A – Intervjuguide

Interview nr. 3

Intervju nr. 3

Kunne du sagt litt om din bakgrunn først

Ja, min bakgrunn er at jeg i bunn er en siviløkonom. Så jobbet jeg i 10 år ca. innenfor transportpedisjon logistikk, starta med Grieg i bergen innenfor økonomi og etter hvert ble jeg ansvarlig for de aktivitetene som Grieg hadde for transport og logistikk og direktør for den divisjonen. Så ble vi solgt i 2011 til et firma som het Panalpina. De ble veldig observant på trade-compliance fordi de har operert i land som, ja eksotiske land i østen, og ikke minst hele vest kysten av Afrika. Der var jeg da i fra 2011-2013 før jeg begynte her i Ulstein i fjor vår som innkjøpsjef. Også nå for en liten stund siden fikk jeg også rollen som Viseadministrerende direktør i tillegg til å være innkjøpsjef.

Hva ligger det i å være innkjøpsjef?

I det å være innkjøpsjef på Ulstein Verft, så vil det si at du er ansvarlig for alle utstyrskjøp i forbindelse med å bygge en båt. Skrog, ligger i under produksjon og adm. Direktør de kjøper skrogene som vi bygger ute. Mens i innkjøpsavdelingen sitter 5 stk sammen med meg som sitter i de respektive prosjektene og gjør innkjøp der. Så det er alt i fra kraner, hovedmotorer og propeller og slikt, men også ned til innredning og nautisk utstyr. Så i grunn en prosjektinnkjøper som jobber i min avdeling han følger i grunn fra helt fra starten, og hele prosjektets levetid med alle innkjøp, med unntak av skroget. Så stål og skrog blir handtert utenfor innkjøpsavdeling.

Hvor stor er denne innkjøpsavdelingen på verftet?

Vi er 6-7stk.

Kan du beskrive litt innkjøpsfunksjonens rolle i Ulstein?

Ja, du kan si rollen til... Vi får tenke litt sånn verdikjede da. I Ulstein verft så er det slik at innkjøp er ofte med i en type pre-sales fase. I pre-sales fasen så er det da på en måte en matching da mellom potensiell kunde, ønsker og behov som de har, noen vil jo på død å liv ha den og den motoren og den den krana og den type ting. Da blir jo på en måte vi litt satt ut i sjakk mat, ift. Hva slags handlingsrom man har til å ha mange forskjellige leverandører innenfor det da. Men ofte er det slike ting som blir definert i pre-sales. Slik at stort og tungt utstyr, slik som propulsjon, kran, maskineri, elektrisk system, store i form av verdi da, blir gjerne definert i pre sales fase. Slik at når vi skal gå ut å selge et prosjekt og gi en pris til en kunde så er i alle fall de store tunge enkeltkjøpene, de er definert på forhånd. rammene på det. Også har du mer forholdstall, størrelse på båt, type båt osv. Da er det mer «lump sum betraktninger» på ventiler, rør og stål, hvor mange tonn med stål og slike type ting det blir kalkulert, mens de mer tunge tingene blir mer knyttet ned til at du har standing offer før du gir et tilbud.

Hvilke målsetninger og mål har dere?

Du kan si vi har, målsetningene og målene våre er i stor grad knyttet til økonomi og leveringstid. Det er hoved-biten av det vi blir målt etter og styrt etter. Slik at leveringstid på båt, knytter jo ned ift. Hvilke leverandører kan da greie å levere innenfor den tid, også deretter er det da å finne optimal valg av leverandør ift. Pris.

Hvor ligger dere i organisasjonsstrukturen i Ulstein?

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Du kan si vi ligger... Vi er en stabsfunksjon for så vidt som innkjøp, men som prosjektinnkjøper altså den enkelte medlem i innkjøpsavdelingen går da inn i et prosjekt. Slik at de dedikerer da en innkjøper til å sitte i det gitte prosjektet. Der da en prosjektleder, og en struktur under det med koordinatorene som da går inn i. Du kan si vi har en linjeorganisasjon, men linjeorganisasjonen avgir ressurser inn i prosjekt da, så det er prosjektene som er våre måleparameter innen for de aller fleste felt. Så det er på en måte prosjektene som dekker våre inntekter og kostnader for å si det sånn.

Og da er det prosjekter på tvers av de ulike business unitene?

Nei, dette er Ulstein Verft. I den grad vi er i kontakt med business unitet Ulstein Design, så er det en leverandør til oss av en design pakke. I den grad vi er i en relasjon med Ulstein Power and Control så er de en leverandør av tavler og power-system kan du si. Men det blir jo på tvers i, kan du si linjeorganisasjonen i verftet da.

Kan du gi noen generelle beskrivelser av bedriftskulturen i Ulstein?

Oj.. Jeg vil påstå at vi har en veldig høy grad av lojalitet. Det er mange som har vært her lenge og er genuint opptatt av at vi skal være her lenge. Stolthet ift. Det vi leverer, det er ikke en tilfeldig holdning til at nå ble det levert en båt eller sånn og sånn. Det er veldig sånn eierskap til at dette har faan meg jeg vært med på å lage. Så det er veldig stolthet i det da. Ellers vil jeg si at det på en måte er sånn, det er et klart forhold til eierne våre, respekt av eierne. Respekt av at det har vært en familiebedrift i nesten 100 år siden 1917. Så mange har vel relasjoner til akkurat den biten, både til forhenværende generasjon og dagens generasjonseiere.

Hvordan tror du interessenter vil beskrive Ulstein?

Fra utsiden? - Ja.

Nei, det er på en måte opptatt av å levere kvalitet. Opptatt av å levere på tid, tror nok kanskje at vi kan bli oppfattet som om vi er ganske sikker på egen fortreffelig het på produktene våre da. Altså, du skal ikke fortelle oss at en båt som er her i fra ikke er god, da går du rett i folkesjela på en måte. For enkelte kanskje, vil en bli oppfattet som vet ikke, arrogant, men i alle fall sikker på seg selv. Men også en dedikasjon, vilje til å få til ting. Vilje til å prøve ting en ikke har prøvd før. Innovasjon er jo på en måte noe som er veldig nært da. Jeg er aldri så glad og fornøyd som når vi får laget noe vi aldri har laget før. Og det tror jeg også blir oppfattet utenfor, at en er innovativ og gjør ting som ikke er gjort før. Setter sammen applikasjoner, eller setter sammen forskjellig type utstyr i applikasjoner som ikke har vært gjort før. Ja det tror jeg kanskje.

Hvordan er du kjent med Ulsteins Etske retningslinjer?

Nei, jeg forholder meg vel til det på lik linje med de fleste andre. Det står ikke på nattbordkanten min, det er ikke det første jeg tenker sånn sett. Men jeg er klar over det som ligger det, og på en måte respekt for det at du vi skal ikke gjøre overtramp i forhold til at vi representerer Ulstein når vi er ute å representerer jobben vår. Det ligger også liksom sånn, jeg har en sånn enkel huskeregel om at det du gjør nå kan du stå innafor det om noen stiller spørsmål om, eller om det blir stilt spørsmål om det, kan du da stå innenfor det. Det er på en måte en huskeregel innen for det. Det er klart da går vi tilbake til at det er solide tradisjoner og en solid bedrift og en stolt bedrift, og da på en måte skal en ikke ha noe om

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den innkjøpsjefen som var balubas på nachspiel, eller på messe, eller har gjort ting som ikke tåler dagens lys da.

Hvordan brukes de i arbeidet deres?

Det er vel ikke, for å være helt ærlig, så er det ikke et dokument som blir flittig brukt i form av at det blir dratt fram. Men det ligger jo bak der. Det ligger jo veldig tydelig i form av hvilke typer seleksjoner har man på leverandør da. Jeg snakket litt med om det tidligere, det er klart at vi har gjort veldig gode og grundige vurderinger av leverandørene som vi bruker over tid, men ikke i form av skjematikk og metode. Men i form, av at vi kjenner de godt, og er veldig skeptiske til nye type leverandører uten at vi har grundige sjekker. Men dokumenterbart? Neppe. I form av at det er gjort på grundig magesfølelse, skulle jeg til å si. Det er vel hoved-evalueringskriteriene.

Så hvis det skulle oppstå et eller annet og dere må se tilbake, hvordan vil dere ha løst det?

Det er jo der problemet kommer. Det å kunne gå tilbake igjen å si at nei, vi kan bevise at den og den leverandøren har lagt frem sånn og sånn prosedyre for oss og spinne ting innenfor etiske retningslinje. Det er ikke så tydelig for å si det sånn. Det er en jobb som er identifisert, så vi nå er i gang med i innkjøpsforumet som du traff deler av representanter av i dag, med meg ... og Men også et utvidet forum med flere representanter fra hver av innkjøpsavdelingene våre da. Som går inn i dette der. For å få mer formaliserte strukturer innenfor hvordan gjør vi evalueringer av leverandører. Opp til i dag har det gått mest på finansielt og leveringsdyktighet og finansielt som har vært evalueringskriterier i stor grad da.

Hvordan berører de etiske retningslinjene din arbeidshverdag?

Nei, det går litt på det jeg sa i stad. Kan jeg stå for det jeg gjør, hvis det blir slått opp i lokalavisen, er det noe jeg kan stå innafor? I tillegg er det jo på en måte litt sånn skeptisk til at en går jo ikke nødvendigvis å velger en leverandør fra far far away uten videre. Vi tenderer nok til å gå tilbake igjen til mange av de vi har jobbet med lenge og er trygge på. Det er nok ikke så veldig eksotisk å gå inn i makers listen vår for å se hvem vi handler med, den er ikke spesielt omfattende. Der er mange av de samme vi har jobbet med i mange år osv. og det er nok litt med hvilke type produkt vi kjøper også. Hadde vi kjøpt skruer, og bolte r og muttere som hovedkjøpene våre. Da er det klart du er på et commodity kjøp, så om leverandøren heter A, B, eller C spiller ikke så stor rolle fordi man kjøper det, også får du det, også bruker du det også er det ikke noe mer relasjon med den leverandøren. Ift til den type utstyr som vi kjøper, så gjør du et kjøp men er avhengig av et samarbeid over ikke bare produksjonstid av et skip, men også levetiden til skipet at du har en relasjon til den leverandøren som er sammen med deg om å levere et totalt skip. Slik at vi er avhengig av et samarbeid med leverandøren gjennom hele prosjektfasen og deretter levetiden på skipet, ikke bare at du har et kjøp og forsvinner.

Veldig ofte blir det fra leverandøren si n side satt ned en prosjektleder og prosjektgruppe på det som skal leveres til oss. Og det er klart da er kvaliteten av produktet og ikke bare produktet i seg selv men hvordan er prosessen er og samarbeidet mellom leverandøren sitt prosjekt team og vårt prosjektteam her, er minst like viktig for kvaliteten og final resultat for å si det sånn.

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Du nevnte dette med økonomi og leveringstid, dette er viktige prioriteringer. Har dere andre prioriteringer?

Ja, vi er jo mer på finansielt. Altså soliditet, så er det det vi tror på at den leverandøren kan klare et prosjekt som vi spør om å levere ned til oss. Det koker nok mest ned til det.

Hvordan opplever du at toppledelsen forholder seg til de etiske retningslinjene?

Det er jo et veldig fokus fra toppledelsen som gjør det at vi no gjør grep. Det er nok en business som er prematur ift. Dette her. Litt sånn ift. At det er noe som er relativt nytt for denne businessen her.

Hva legger du i business?

Ja, altså for skipsbygging.

Industrien?

Ja, altså det er ting som er på vei inn. Det har ikke vært fra våre kunder sin side, så har det heller ikke vært så mye fokus på det tidligere som det etter hvert har begynt å bli. Men etter hvert som det begynner å ta seg til og vi opplever at det bli audits og kontroller, og vi skal fortelle hvordan vi gjør våre prosesser innenfor innkjøp eller andre aktiviteter. Så må vi også være tydeligere på det og dokumentere det vi gjør. Men i og med at det ikke har hatt det store fokuset så.. Vi er medlem i UN GC som er et ledd i det. Vi reviderte etiske retningslinjene, vi jobber veldig aktivt med å få inn ny struktur på kvalitetssikring, iso-godkjenning osv. så det er en aktiv jobb som pågår nå da ift. Å kunne dokumentere i større grad en det vi har gjort før. Frykter ikke at det er veldig mye som vil bli gjort annerledes. Jeg tror vi vil gjøre ting ganske likt som vi gjør i dag, men det er dokumenterbart på en helt annen måte. Tror ikke at vår leverandørliste vil se veldig annerledes ut etter vi har gjennomført en sånn type evaluering, en den vi gjør i dag.

Ser du noen fordeler og ulemper med å ha compliance og slikt?

Ja det er klart det. Vi ser jo eksempler på det at det er firma som en kanskje ikke forventer det fra. Kongsberg Gruppen, for eksempel. Som nå er under etterforskning for korrupsjon, det er ikke aktører som en normalt sett hadde trodd at var der. Slik at sånne type overraskelser kan jo komme da. Derfor er det en større trygghet for oss også å det er noe vi ser på.

Det jeg frykter med det, og ser ulemper med det er jo at det kanskje blir tatt ut av proporsjoner da. Vi er nødt til å ha det på et nivå som er fornuftig. Vi handler veldig mye med disse her 8-20mannsbedrifter som lager et eller annet spesialutstyr som vi trenger. Og det er jo klart da kostnaden for en slik type bedrift og da på en måte komme med et voldsomt omfattende hierarki av compliance og hvordan vi skal følge de opp å ha audit med dem og alt mulig sånt. Så vil jo det bety at disse her ikke lengre 8 mannsbedrift eller 9 mannsbedrift, og ikke 20 manns bedrift men 22 manns bedrift. For å svare på de økonomiske, etiske og hva det måtte være, forholds betraktninger som vi mener de må kunne rapportere og bli auditerte på. Jeg tror det er viktig at det bli lagt litt forskjellig nivå, slik at 8 mannsbedrifter på HAREID, som vi kjøper et eller annet fra, kanskje ikke har samme krav til seg, de skal fortsatt få et helt klart krav fra oss ift. Hva tenker vi om compliance, anti-corruption osv. men kanskje ikke samme krav til rapportering, oppfølging og auditering, som det er når vi handler med en kinesisk leverandør. Hvis det er et tilfelle da.

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Nå handler vi veldig mye lokalt, veldig mye norskt, ca 90% av det vi kjøper er norsk utstyr, eller det er i alle fall en norsk representant som kommer ned til oss. Og øvrig utstyr er all hovedsak europeisk. En og annen ting som blir produsert i østen, men veldig veldig lite. Og i den grad vi kjøper noe fra østen, så er det ikke, så har ikke vi en direkte relasjon med et kinesisk firma f.eks., vi er i relasjon med et europeisk norsk foretak som kanskje har delproduksjon i kina eller østen da.

Hvordan tar dere det med i betraktningen når dere vurderer leverandører?

Ja. Hvis noen forteller at de har tenkt til å lage noe i kina, så får vi en feeling på hva er set-upet der og der. Så vi kjøper ikke rått og råte fra en som sier at vi tenker å produsere dette i Kina. Da vil jeg vite litt mer hvordan gjør du det? Per i dag, så er jo det uformelt i form av det blir gjerne tatt med og diskutert med leverandøren, men vi er nok heller ikke der i slike tilfeller ned på papiret og dokumenterbart at vi har gjort den sjekken da. Men, ja. Sånn som nå f.eks. så er det noen båter som har sementtanker fra, som vi vet blir produsert i Kina. Da gjør vi en vurdering av om de har, er det den første gangen, har de sitt eget set up der borte?, er det rein sub-contracting der borte?, eller er det på en måte der de er aktivt inn å eier og styrer prosessene selv. Det er slike vurderinger vi gjør.

Kan du fortelle hvordan det er å ta opp tema som compliance, korrupsjon og slikt her i Ulstein?

Ja, altså.. Det vil jeg påstå at det er et lavt barriere for altså. Det er ikke noe betent tema på noen som helst måte. Jeg tror frykten kommer fra at vi vet om en del selskap som f.eks. Rolls Royce som er en lokal aktør, med et veldig, for de er det like prosedyrer og prosesser her som det er om du opererer i Namibia, eller Brasil, eller sånt. Frykten er vel at du skal komme på et sånt her, det jeg sier er at, du må ha forskjellig nivå for hvordan du jobber, Jeg frykter vel at det er et worst case scenario som da på en måte ruller inn over oss, og at vi kommer med våre 4 permer som skal fylles opp og ned med questionnaires for å kunne bli leverandør til hos. Da frykter vel folk det, at det, det at vi nå skal begynne å snakke om trade-compliance og anti-korrupsjon osv. vil bety at vi kanskje tar bort valgmulighetene våre slik at det tror jeg kanskje er frykten som en del har internt. Men det er jo viktig da at vi har en struktur som er mulig å fylle opp, og som ikke er ødeleggende for vårt utvalg av aktører.

Kan du gi noen eksempler på når du eller dere er nødt til å ta hensyn til de etiske retningslinjene?

Det har jo blitt mye mye mindre enn det jeg tror det var tidligere. Som jeg sier så har jeg ikke vært her veldig lenge, men litt av inntrykket mitt er jo det at dette her ift. Kundearrangement, ift. Messer, ift. Representasjon osv., det var nok i større grad en utfordring å håndtere tidligere enn det har vært i senere tid. For å ta et konkret eksempel, i forbindelse med jul så kommer det julegaver, men du slipper å, det var ikke en ting som var over 98kr i verdi, de aller fleste vi har med å gjøre vet at det å prøve seg på et eller anna så får en det i retur. Det er fortsatt en og anna som prøver seg på sånn her at vær med oss på en tur til vår produksjon-site, vi skal dekke all reise og sånne type ting, og der er vi helt klar på at det gjør vi ikke. Kanskje vi skal være med å se på det, men vi skal betale for oss selv, reise og opphold blir dekt av oss. Jeg er skeptisk sånn generelt ift. Å bli tatt med ut på noen som helst slags type representasjon i fare for at det blir brukt mot oss senere. Vi vil ha en reinhårig strategi på det. Så det er veldig lite sånn type aktivitet da. Men det er heller ikke et utpreget problem at, det er på en måte så akseptert i leverandørbasen vår at slik er det. At der er veldig lite. Jeg tror jeg har vært borti en eller to ganger at noen har kommet med forslag at de skal spandere et reiseopphold for å være med å se på et eller annet, produksjon av et eller annet utstyr som vi skal kjøpe da. Så det er ikke liksom, det kommer ikke opp på bordet en gang.

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Hvordan føler du at organisasjonen støtter deg til å ta hensyn til reglene?

Stor grad av respekt for det. Jeg tror de fleste har et såpass klart forhold til etiske retningslinjer at de vet hva dette går ut på. De vet at dette betyr for de i hverdagen, og hva de bør takke ja til og hva de bør stille spørsmål til og hva de bør takke nei til. Så tror jeg veldig sjeldent at du får noe som er på en måte «takke nei til» fordi, det er som jeg sier og var inne på, det blir ikke tilbudt slike ting i all hovedsak. Også er det selvfølgelig noen problemstillinger inne i mellom, som bør vi gjøre dette?, som er mer av kanskje taktisk art, altså bør vi fare på sommerfest med en eller anna leverandør når vi vet at vi ily. Kort tid skal gjøre kjøp av den type utstyr som den leverandøren leverer, vil det kunne bli stilt spørsmål ved det osv. Og da må en kanskje avstå fra å være med på det, til tross for at det er uproblematisk i form av at alle andre kunder til kunden er der, så det kan ikke knyttes tilbake igjen til at du er den eneste og at det er en utilbørlig fordel, det er liksom en gest i forhold til å ha en relasjon. Men, kanskje vi gjør vurderinger av og til som betyr at vi gjør det ikke selv om det ikke er problematisk i utgangspunktet, kan bli problematisk fordi de fikk noen fordel i en fase der vi kanskje var på et anbud eller noe sånt. Da vil vi kanskje si nei til slike type henvendelser.

Hva er din erfaring med dilemma som kan oppstå ift. Å etterleve de etiske retningslinjen?

Jeg kan komme på mange dilemma som kan oppstå. Veldig lite real life her i fra. Men det er klart dilemma som en kan komme opp i, nei jeg vet ikke det blir litt søkt å si det så det passer ikke inn i oppgaven din sånn sett men, det er jo disse dilemma ift. Du står i tollen i en eller annen plass og du skal gjennom, og du slipper ikke gjennom uten å betale 100 dollar. Da er du i denne her, «du skal ikke betale til en government official, whatsoever» hva gjør man da?, det er jo en sånn type dilemma som du kan komme opp i men no er vi veldig lite i på reise i den type land der slike ting forekommer. Og dilemma som man ellers kommer borti, er som jeg sier, bør vi takke ja til den invitasjonen mtp. Den situasjonen vi står oppi, kanskje uproblematisk i seg selv, men kan bli problematisk i en setting. Dette er veldig ofte tilbake til det med «ryggmargsrefleksen», kan jeg stå innenfor dette hvis det jeg blir konfrontert med det. Det er vel tommelfingerregelen vi bruker da i from av dilemma.

Og i forhold til kontrakter? Er det vanskeligheter der å putte slike ting inn i kontrakter?

Igjen da på forskjellig nivå, handler du med en stor internasjonal aktør som vi vet har en stor organisasjon bak seg, så har jeg ingen problem at de skal svare for seg å legge fram på en måte beviselig hvordan jobber de aktivt med slike type ting, mens for andre kanskje er det tilstrekkelig er det å si at vi har et sett med etiske retningslinjer. De er vedlagt her, og ved å på en måte si ja til dette, aksepterer du også at du skal jobbe innenfor disse etiske retningslinjene. Slik at vi på en måte tar den, at det blir mer som en vurdering som også leverandøren gjør, uten at vi nødvendigvis i alle tilfeller og i alle, med alle leverandører skal ha en like stram oppfølging. For tilbake igjen til det, at den smia med 8 mann. Det er vanskelig for de nødvendigvis å på en måte administrasjonsmessig forholde seg til det. Sikkert ikke ved et problem, det er vanskelig å.... det er ikke engang bompasering på vei fra Hareide til Ulstein, så det er vanskelig hvor mye galt man kan gjøre i form av å betale de ut av problemstillingen, men ja.

Føler du at du har per dags dato, det som trengs ift. Ressurser og tid, ift. Å jobbe med dette og få det inn på plan?

Da er vi tilbake igjen til, hvor lander vi? Hvor omfattende skal dette være. Jeg tror det er helt håndterlig innenfor et perspektiv der vi sier at, det må tydeligere defineres, og det er ikke definert per i dag hvor

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nivået skal ligge. Men det på en måte å kreve fra enkeltleverandører at de skal på en måte legge frem bevis bør vi kunne klare med de ressursene vi har i dag, men på en måte der vi må på en måte må være en mint like mye en hjelper som en spørsmålsstiller da, med typisk størrelse mindre leverandører og sånne type ting. Det kan bli tungt. Når du nå starte på en måte utspørring med å forklare hva compliance er, da er kanskje et langt lerret å bleike. Det krever mye ressurser. Mens aktører som er vant til å svare på sånne spørsmål i fra mange, da må på en måte vi bare lage oss en struktur og et system for hvordan vi skal fylle det opp. Og det vi snakket om på tvers i mellom business units, er jo det at vårt scenario er jo det at vi skal ha en felles plattform, der at hvis Rolls Royce både er en leverandør til oss og UDS, hvis de går igjennom en sånn prosess med UDS, så skal vi ha tilgang til å se at UDS har gjort en slik prosess. Slik at ikke alle må sitte å gjøre slikt for hvert enkelt prosjekt og selskap, men at vi på en måte gjør disse tingene «once and for all», og gjerne dokumenterer dette etter hvert. Mens det andre blir på en måte en sånn awareness sak der vi presiserer viktigheten av at det er slik vi forventer at du jobber og får en aksept i det case by case nivå. Så det bør være overkommelig. Og når det gjelder support at dette blir tydeligere og tydeligere forankret både i top management på gruppe nivå, men også ned i business unitene, at det er på en måte er en aksept for at dette veien vi er nødt til å gå, slik blir det. Også håper jeg at det kommer en del sånne type retningslinjer som blir like for mange. Der vet vi jo at blant anna NHO jobber med det og på en måte lager et sett av retningslinjer slik at flere skal kunne forholde seg til. For det jeg tror er dumt er å, det er jo hvis alle skal ha sine etiske retningslinjer, og sine ting som du forholder deg til, og sine spesial questionnaires som du skal svare på. For da blir det liksom forskjellig fra den ene til den andre, og vanskelig også fra leverandørene våre sitt standpunkt. Så jeg tror det er på en måte litt sånn her type guidelines i fra f.eks. NHO vil være veldig kjærkomment for å på en måte sette en standard, og dette er det nivået vi forventer vi skal være på. Også får vi forholde oss til det på en måte. Jeg tror det er viktig at vi setter en, at det blir om ikke en bransjestandard, men at forventningene blir satt på en nivå som flere kan forholde seg til da.

På hvilken måte vil man kunne belønnes i Ulstein? F.eks mange selskap har prestasjonsmålinger, ting man blir målt på. Har dere slike ting?

Bare på aggregert nivå. Bonus ordning er likt om du heter administrerende direktør eller om du er operatør i sveiser linja. Så har du lik bonus. Slik at det blir ikke på den enkeltes prestasjon belønnet. Det er ikke slik at hvis man gjør et kjempe godt innkjøp så får du en bonus, eller hvis du gjør et rå salg så får du en bonus. Så det er en veldig kollektiv bonusordning. Det vil jo ta bort slike SUB optimale løsninger der du kjøper for å kjøpe og selge for å selge fordi det er personlig gevinst i. Det vil du mest sannsynlig ikke se her. Fordi man har ikke sub-optimale vurderinger ift. At hvis jeg gjør dette så får jeg bonus, det vil du ikke få da.

Hvilke type tilbakemeldinger kan man få?

Vi har jo klare mål i det enkelte prosjektet, i form av hvilke resultat man skal oppnå. Da blir det annerkjennelse og «lønn i himmelen» skulle jeg til å si «hehe». Det blir på det nivået altså. Altså, gjør vi en god jobb og vi gjør den i lag blir resultatet bra, og da er det jo en bonus som er kollektiv. Ellers blir du målt på det enkelte prosjektet, ned på «kommoderer» du gode innkjøp, leverer du tegningene dine når du skal når du er på teknisk avdeling på konstruksjon, klarer du å levere båten på tiden når du er i produksjon. Men veldig lite som går ned på den enkelte. Så fare for slike suboptimale, og urasjonelle beslutninger ift. Å gjøre short cuts for den enkelte, vil jeg påstå er liten. Det må i såfall være for å «save face» å beholde æren da. Det er heller ikke en kjempe utfordring tror jeg da.

Føler du at du har fått det du trenger for å kunne etterleve de etiske retningslinjene, ift. Trening og opplæring f.eks?

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Nei, det tror jeg mangler litt. Per i dag er jo de etiske retningslinjene gode nok som ligger der når du blir ansatt i og at det er en del av det du aksepterer når du jobber for ulstien. Også ligger det der, som på en måte som en underforstått ting og slik gjør vi det her med oss. Det jeg vet er på vei, og på en måte tatt tak i, og at det er vi nødt til å få til ting der vi får inn dilemma trening, og får inn awarnessbiten i det da. Og på en måte ha det tydeligere ha det fremme i «pannebrasken» og ikke bare bak i bakhodet. Og der veit jeg det er aktiviteter i gang allerede for å komme dit. Men tradisjonelt tror jeg ikke vi har vært der. Da har på en måte vært en litt implisitt bakgrunns forliggende ting som du visste vel at du ikke skulle gjøre dette hvis noe hadde kommet opp. Men ikke noe mer enn det.

Hvilke verdier tror du må være tilstede i bedriftskulturen i Ulstein for å sikre fremtiden?

Nei, altså det som må ligge av verdier der er jo på en måte... Jeg tror det ligger veldig mye tilbake i hva vi har, og på en måte stoltheten som ligger i å på en måte representere navnet, den ligger der allerede der i dag. Den tror jeg er fundamentalt for å på en måte, du jobber for deg selv du skal betale ditt eget huslån, bil og mat på bordet og sånne ting. Men samtidig så ligger det noe mer, at det gir deg noe mer, at jeg jobber der og det kan jeg stå innenfor. Den er der. At på en måte det at du opplever det at det er en trygg plass å være, og at det skal forbli det gjør også at du på en måte ikke setter noe på jeapordy da – det at på en måte en viktig bedrift for et helt lokalsamfunn og ikke bare for deg, det har nok også noe med at du tuller ikke med det kanskje. Den posisjonen har vi vel i veldig stor grad, og det tror jeg er viktig for mange at forblir. Så derfor så er det noe sånn der kombinasjon av stolthet og kanskje ærefrykt, altså at det skal bli nødt til å beholde det slik som det er. Vi lever i en veldig konkurranseutsatt verden, mest sannsynlig er mye billigere for deg i dag, og vi blir veldig bevisst på at det vi skal levere må være av bra kvalitet og da kan du ikke ha noe snuskete rykte, da er vi «out of business» veldig kjapt. Og det tror jeg mange har i pannebrasken, at de vi skal gjøre må være skikkelig opp i mot kunde og ikke minst samfunn for øvrig fordi vi ikke tåler så mye riper i lakken av den kaliber for da vil det være en veldig kortsiktig tanke, for da setter du på jeapordy long term biten i det.

Appendix C: Ulstein's code of conducts and ethical guidelines



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Etiske retningslinjer

for Ulstein Group

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Etiske retningslinjer skildrar Ulstein Group ("ULSTEIN") sine plikter og krav i samband med etiske problemstillingar som er knytte til forretningspraksis og personleg åtferd. Etiske retningslinjer gjeld for organisasjonen og kvar einskild tilsett, for styremedlemmar og innleigd personell i ULSTEIN (etter dette omtalt som "medarbeidarar").

ULSTEIN skal drive forretningsverksemda si i tråd med gjeldande lover og forskrifter.

Dei etiske retningslinjene skal underbygge visjonen og verdiane våre, og vere eit verktøy for å påverke åtferda og kulturen i konsernet. Etiske retningslinjer skal vere ei rettesnor for haldning og handling. Dei etiske retningslinjene fjernar likevel ikkje behovet for at den einskilde medarbeidar utøver godt skjøn i handteringa av etiske dilemma.

Dei etiske retningslinjene våre gjeld alle medarbeidarar og dei skal bidra til ein sikker og god arbeidsplass, og sikre bedrifta eit godt omdømme. Dei skal gi ei felles oppfatning på korleis bedrifta skal vere, korleis vi skal opptre i jobbsituasjonene, korleis vi skal oppføre oss mot kvarandre og mot kundar, leverandørar og omverda.

Alle medarbeidarar skal gjerast kjende med retningslinjene.

Det er kvar einskild leiar sitt ansvar å syte for at retningslinjene blir gjennomgått og kommuniserte i eiga avdeling og overfor nye medarbeidarar.

➤ MENNESKEVERD

Alle medarbeidarar i ULSTEIN har same verdi.

ULSTEIN aksepterer ingen former for diskriminering av sine medarbeidarar eller andre som er involverte i ULSTEIN sine aktivitetar. Det kan likevel vere lovleg og forsvarleg å nytte positiv diskriminering for å oppnå likeverd og mangfald. Diskriminering femner om all urettvis behandling, utestenging eller preferanse på grunnlag av kjønn, rase, funksjonshemming, seksuell legning, religion, politisk standpunkt, nasjonal, etnisk eller sosialt opphav eller liknande forhold, som fører til at ein set til side eller går på akkord med likeverdsprinsippet.

ULSTEIN skal vise respekt for alle individ, og arbeide aktivt for å syte for eit godt arbeidsmiljø

som vert kjenneteikna av mangfald og likeverd.

➤ ORGANISASJONSFRIDOM

Alle medarbeidarar i ULSTEIN har rett til fritt å ta del i fredelege møte og organisasjonar utan innblanding frå arbeidsgjevar. Ingen medarbeidarar i ULSTEIN skal verte pålagd å tilhøyre ein organisasjon.

➤ LOJALITET OG INTERESSEKONFLIKTER

Samarbeidet i konsernet skal bygge på lojalitet, tillit og respekt.

Det skal bli oppmoda til endrings- og forbettringsprosessar og til ein konstruktiv dialog og drøfting før avgjersler blir tekne.

Samtidig er det eit absolutt krav om lojalitet og aktiv oppfølging av selskapet sine mål og dei avgjersler som blir vedtekne.

ULSTEIN skal vise respekt for den einskilde medarbeidar sin rett til privatliv og private interesser.

Medarbeidarar skal oppføre seg upartisk i all forretningsverksemd, og ikkje gi andre selskap, organisasjonar eller einskildpersonar urette fordelar. Medarbeidarar kan ikkje ta del i økonomiske og/eller forretningsaktivitetar der det kan oppstå interessekonflikt mellom konsernet sine interesser og eigne eller nærstående tredjepart sine interesser, eller som på nokon måte kan ha negativ effekt på vedkomande sin handlefridom eller dømmekraft. Ved tvilstilfelle skal dette verte avklart med næraste leiar. Ein eventuell mistanke om interessekonflikt skal rapporterast til ein overordna.

➤ LEIARSKAP

ULSTEIN skal ha leiarar som tek ansvar og viser respekt og omsorg for sine medarbeidarar. Leiarane skal aktivt bidra til å utvikle eit godt arbeidsmiljø med motiverte medarbeidarar. Samarbeid skal leggje til rette for personleg og fagleg utvikling av den einskilde medarbeidar.

➤ PERSONLEG ÅTFERD

ULSTEIN krev at alle medarbeidarar etterlever høge etiske standardar. Medarbeidarar må rette seg etter gjeldande lover og forskrifter, og utføre

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arbeidsrettar, og miljøvern.

► KORRUPSJON

ULSTEIN tek avstand frå alle former for korrupsjon, og vil arbeide aktivt for å hindre at dette førekjem i konsernet sine forretningsaktivitetar. Korrupsjon undergrev alle former for lovleg forretningsverksemd og fri konkurranse. Det er øydeleggande for omdømet og utset selskapet og den einskilde for risiko.

I følgje Straffelova § 276 a –c blir korrupsjon definert slik: *” Den som for seg selv eller andre krever, mottar eller aksepterer et tilbud om utilbørlig fordel i anledning av stilling, verv eller oppdrag.”*

Bestikkelsar førekjem når det blir gjort forsøk på å påverke nokon i utføringa av deira plikter ved å gi dei ein urettmessig fordel. Utilbørlig påverknadshandel førekjem når det vert gitt ein urettmessig fordel til nokon for å påverke utføringa av tredjepart sine plikter. Ein slik urettmessig fordel kan førekome i fleire former som for eksempel kontantar, gjenstandar, kredittar, rabattar, reiser, innkvartering, servering eller tenester.

Forbodet mot bestikkelsar og utilbørlig påverknadshandel gjeld både for parten som gir eller tilbyr ein urettmessig fordel, og for parten som ber om, mottok eller aksepterer ein slik fordel. Det er tilstrekkeleg at ein førespurnad eller eit tilbod om ein urettmessig fordel blir sett fram for at handlinga skal vere ulovleg. Det er ikkje ein føresestnad at den urettmessige fordelten tilfell personen som det blir prøvd å utøve påverknad på. Forbodet mot bestikkelsar og utilbørlig påverknadshandel gjeld både for offentleg og privat sektor.

ULSTEIN kan bli halde ansvarleg for bestikkelsar eller andre korrupsjonshandlingar utført av tredjepartar som har inngått kontraktar med ULSTEIN, eller i andre tilfelle der ULSTEIN kan dra fordelar av bestikkelsar eller korrupsjonshandlingar som er gjort av tredjepartar. ULSTEIN vil derfor i alle relevante kontraktsmessige forhold legge vesentleg innsats i å få tredjepartar til å slutte seg til dei same reglane og prosedyrane som gjeld for ULSTEIN i forhold til bestikkelsar og korrupsjon.

► TILRETTELEGGINGSBETALING

Tilretteleggingsbetalingar er betalingar som skal påskunde eller sikre levering av produkt eller tenester som ein har rettmessig krav på. ULSTEIN tek avstand frå denne type utbetalingar, sjølv i tilfelle der det etter forholda kan vere lovleg, og vil arbeide aktivt for å hindre slike betalingar.

Forbodet mot tilretteleggingsbetalingar gjeld ikkje dersom ein person har grunn til å tru at deira eige eller andre sitt liv eller helse kan vere i fare. Eventuell usikkerheit tilknytta rettmessigheita av krav om utbetalingar av denne typen skal bli avklara med overordna og korrekt bokført med oppføring av formål, og samtidig rapporterast til konsernet sin Ethiske Komité.

► GÅVER, GJESTFRIDOM OG UTGIFTER

Medarbeidarar og/eller nærstående skal utvise stor varsemd med å motta gåver eller andre ytingar frå selskapet sine kundar eller leverandørar. Dersom ein tilsett eller nærstående mottok gåver til ein samla verdi ut over lova sine reglar om skattefrie gåver, for tida NOK 500,- pr. år, skal dette bli tatt opp med næraste leiar. Viss det er fare for at medarbeidarane sin habilitet eller uavhengigheit kan bli trekt i tvil, skal ei gåve ikkje takast i mot. Eventuell retur av gåver må skje på ein måte som verkar minst mogleg støytande på gjeveren.

Medarbeidarar kan ta i mot gjestfridom i form av sosiale samankomstar, måltid eller underhaldning som har eit klart forretningsmessig formål for ULSTEIN. Kostnaden ved slik gjestfridom må haldast innanfor rimelegheita sine grenser og må vurderast nøye. Reiser, overnatting og andre utgifter for tilsette i samband med denne typen gjestfridom skal alltid bli betalt av ULSTEIN og vere førehandsgodkjent av næraste leiar. Dette gjeld også reiser og opphald i samband med seminar og andre faglege opplegg.

Før ein svarer på ein invitasjon eller mottok ei gåve, skal den einskilde medarbeidar vurdere dette i forhold til Bilag A (Konkretisering av etiske retningslinjer for relasjonsaktivitetar).

Prinsippa over gjeld også motsett veg, slik at medarbeidarar som opptre på vegner av ULSTEIN, i sitt samkvem med kundar, leverandørar og andre partar, ikkje kan tilby eller gje løyve til å betale for gåver, gjestfridom eller andre utgifter som vil medføre brot på desse prinsippa. Medarbeidarar må vere særleg merksame på dette i samhandling med offentlege tenestemenn.

Alle saker som gjeld aksept eller tilbod av gåver, gjestfridom eller liknande fordelar, må bli diskutert og avtalt med ein overordna, med mindre desse klart er akseptable i høve til det som går fram ovanfor.

Er turen eller arrangementet ei blanding av jobb og ferie er medarbeidar skattepliktig for den delen som er ferie. Dersom ektefelle skal delta skal dette som

hovudregel bli dekt av tilsette sjølv. Unntaksvis dekning av kostnader skal bli godkjent av overordna. Utgiftene relatert til ektefelle skal då lønsinmeldast.

➤ SÆRLEG OM BRUK AV MELLOMLEDD

Mellomledd femner om agentar, konsulentar og andre som fungerer som bindeledd mellom ULSTEIN og ein tredjepart, i konsernet sine forretningsaktivitetar. Før det vert leigd inn mellomledd, må den aktuelle leiaren kontrollere at mellomleddet sitt omdøme, bakgrunn og kompetanse er passande og tilfredsstillande. ULSTEIN forventar at mellomledd handlar i samsvar med konsernet sine etiske krav, og dette vilkåret skal vere inkludert i mellomleddet sin kontrakt med ULSTEIN.

Avtalar med mellomledd må vere skriftlege og skildre det faktiske forholdet mellom partane. Den avtalte godtgjersla må stå i forhold til tenesta som vert levert. Betalingar må vere tilfredsstillande dokumenterte, og må bli førte inn i rekneskapen i samsvar med alminneleg anerkjende rekneskapsprinsipp. Mellomleddet si utføring i forhold til ULSTEIN sine etiske krav må bli overvaka regelmessig, og tiltak må bli iverksette dersom utføringa ikkje er tilfredsstillande.

➤ ETISK KOMITÉ

Vi ønskjer ein bedriftskultur der etiske dilemma kan bli diskuterte. Konsernet har oppretta ein Etisk Komité som skal drøfte dilemma og vere mottakar for varslingar. Det blir vist til eigne varslingsreglar i Arbeidsmiljølova §§ 2-4, 2-5 og 3-6.

Etisk Komité i ULSTEIN er sett saman av konsernet sin HR-direktør, konsernadvokat og administrerende direktør i Ulstein Design & Solutions AS. Ein kan rette førespurnader til etikkk@ulstein.com og/eller vakttelefon 70 00 80 01).

➤ GJENNOMFØRING OG ANSVAR

Medarbeidarar må forsikre seg om at han/ho kjenner til og utfører sine plikter i samsvar med gjeldande lover og forskrifter og ULSTEIN sine etiske retningslinjer.

Leiarar må kontrollere at aktivitetar innanfor deira ansvarsområde vert utførte i høve til krava som er gitt i dette dokumentet. Leiarar har ansvar for å vidareformidle krava og gi råd når det gjeld tolkinga og bruken av regelverket.

Viss medarbeidarar kjem over forhold som inneber etiske tvilstilfelle eller brot på ULSTEIN sine etiske

retningslinjer, skal desse forholda rapporterast med det same. Medarbeidarar kan rapportere forholda til næraste leiar, eller til leiar sin overordna eller til konsernet sin Etiske Komité. Ein leiar som slik vert kontakta, skal konsultere Etisk Komité i tvilstilfelle.

Ved mistanke om straffbare forhold eller vesentlege brot på ULSTEIN sine etiske retningslinjer skal Etisk Komité bli varsla med det same.

Medarbeidarar som på forsvareg måte varslar om kritikkverdige forhold i samsvar med dette punkt, skal ikkje verte utsette for represaliar eller liknande. I høve til § 2-4 i arbeidsmiljølova har tilsette rett til å varsle om kritikkverdige forhold på arbeidsplassen. Varslaren vert gitt lovvern mot gjengjeld i arbeidsmiljølova § 2-5.

Brot på ULSTEIN sine etiske retningslinjer eller relevante lover og reglar kan medføre disiplinærtiltak, oppseiing eller avsetning, og kan bli rapportert til relevante myndigheiter.

