Making Sense of Business Ethics – About Not Walking the Talk

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Abstract
By using a sensemaking perspective, this article argues that it is not relevant to fully expect firms to walk their talk in ethical matters. Accuracy between words and deeds is utopia in a post-modern world, with chaos and complexity. Integrating diverse ways of doing ethical business across global regions rather creates legitimacy, trust and a good image among firms in business networks. So what is the role of the ethics code? The article gives examples from a case study on Stora Enso, where the ethics code has a certain strategic meaning, but where the CEO also states that the firm has to do what it says, and say what it does. In short, the article discusses a new paradigm which influences how one can make sense of business ethics in the contemporary and global business market.

Keywords
Sensemaking, business ethics, ethics code, words and deeds, walking the talk, paradigm, Stora Enso, business networks, strategy

1 Introduction
Credibility for business is at times problematic. A study by Stevens (1999) shows that business people are ranked only 13th in an American Gallup poll among 25 professions. Stevens argues that the credibility soars as new business scandals occur. Especially drastic is the lack of credibility when scandals hit firms having official ethics codes. Likewise, even many business students are cynical towards beautifully phrased ethical statements. Do the businesses really walk their talk – do the deeds match the words? I argue that this is not a relevant question. Most firms probably do not walk the talk – but these very firms can still be very ethical. They may even be the fore runners of ethical issues.

To address this claim, I address the environment of contemporary firms, ponder the implications of the post-modern way of doing business in networks and try to make sense of what this means for a firm that is ethical in its approach. The underlying perspective is a sensemaking approach, as largely developed by Weick (1995). The conceptual study is underpinned by exemplifications from a case study on forestry firm Stora Enso in 2002-2004. Results of this case study, which applies a business network approach, have been published by Lindfelt (2004a, 2004b, 2004c, 2004d, 2005a, 2005b) and Lindfelt & Törnroos (2006).

Thus, the research question of the article reads: Why is it not necessary to walk the talk?

Central definitions are as follows. The firm exists in sets of connected exchange relationships between actors (e.g. Cook & Emerson 1978 cf. Johanson & Mattsson 1997). These dyadic relationships form business networks that consist of business and non-business actors (e.g. Hadjikhani 1996, Törnroos 1997). Strategy is the intended pattern of activities that have an impact on the achievement of the organizational goals in interaction with its environment (Lindfelt 2004b, Håkansson & Snehota 1990). As for the ethics code, Brytting (1998:196) suggests that it should be embraced both locally and centrally, express good practice and ideals and that it needs relevance in practical issues and has general applicability. Paradigm, sensemaking, Stora Enso, words and deed as well as walk the talk are elaborated further and defined in the text.

First, I take a look at the paradigm shift which is taking place in the society and marketplace, and discuss implications of this for ethical business - and business ethics. Second, I look at how an organization itself makes sense of its ethics management. Third, I discuss the overall arguments on not walking the talk. After this, follows notions on contributions, further research and acknowledgements.

2 A New paradigm/époque

The last few years’ concern with ethics in businesses may be related to a new paradigm. The concept of paradigm is usually understood and associated with shared understanding. Paradigms are set of assumptions about the world. Beliefs, values and visions are embedded in frames such as paradigms or ideologies that form what people think. Kristensson Uggla (2002), Normann (2001) and Weick (1995) all agree that we seem to be posed to a new époque or paradigm. How does this look and what is its relevance for understanding the development of business ethics?

2.1 Business networks and the ethical Prime Mover

Normann’s Reframing Business: When the map changes the landscape (2001) contains well argued claims for our facing a new époque. The new paradigm brings new ways of conducting business, which come from a radical shift in how economic value is created and how one should interpret and understand actors in the marketplace. Normann sees that successful businesses are those that make the first moves in the marketplace. These Prime Movers, as he calls them, become leaders because they create value for others – and thereby for themselves. The Prime Movers organize value creation and reconfigure ways of achieving this. They possess the competence to interlink various actors with different re-
sources and knowledge in systems of value creation. The Prime Movers envision value creation networks. They also realize that when they create value for other actors in the network – this is when they create value for the own firm. Thus, also end customers are co-producers of value in the network. Co-creation and co-operation are key concepts (See also Ramírez 1999, Ulaga 2001, Walter et al 2001, Lindfelt 2004b, Forsström 2005). Normann’s approach should be seen in contrast to the traditional industrial system (fordism), where value was understood to be created in a chain (Porter 1985) and where the end product was perceived to be consumed by the customer. This strategic model has dominated modern business theory for some time, but has been questioned in the past years by researchers such as Parolini (1999), Möller & Halinen (1999), Möller & Wilson (1995) and Snehota (1993) and the ValueNet and IMP research groups.

The new strategic model for value creation means that resources and competence has replaced the value chain as a model. Rather than considering the end product as central in production, knowledge and relationships are central. Companies exist in – and are – networks, whose identity does not merely equal the headquarters building or office. It a sense, Normann’s position tells about a shift towards more humane and soft values. In a knowledge and information society, the individual and collective mental processes distinguish failure from success. Therefore, Normann’s work offers some interesting possibilities for making sense of how ethics are developing, and the role of the marketplace and society in this process.

Normann means that certain competencies are needed for creation and reconfiguration of value systems. Such competencies can come from technical innovations or from intellectual and conceptual innovations. While trying to make sense of ethics in a business network, it has become evident that if a firm takes ethics matters seriously, it needs to find itself in a business network where ethics matters are treated similarly. This is what I have called ethical embeddedness (e.g. Lindfelt 2004b). Firms have different ethical network positions, ethical network identities and ethical roles in this embedded network (see more in Lindfelt & Törnroos 2006). A business network’s ethical fore runner – Prime Mover - pro-actively shapes the ethical dimension, because it believes that ethics create value and pays off. For business ethics to be trustworthy, this fore runner needs to be part of a network among other actors who together co-create economic value. In the terminology of Normann, such fore runners are qualified as Prime Movers. These firms use conceptual and intellectual innovations (such as ethics codes) in order to organize the co-creation of value in accordance with ethical principles for sustainability. An example of an ethically driven Prime Mover is Finnish-Swedish Stora Enso, which operates globally within the integrated paper, packaging and forest products sector. An interesting note is that the firm is the oldest corporation in the world, its ancestor being Stora Kopparberg some 700 years ago.

Thus, I argue that the new époque emphasizes business networks as important units for ethical development in the marketplace. Ethically convinced Prime Movers drive the ethical embeddedness of a network – but are also constrained by this. These Prime Movers believe that business ethics is a strategy which pays off in the value creation process. As a result of the new competences needed in this époque, firms create corporate ethics codes or principles. These constitute in words how the company behaves – or rather should behave.

2.2 The ethics code as a network strategy

Normann’s view of value creating networks is an interesting contrast to Milton Friedman’s (1982/1962) logic considering the firm and its responsibilities towards stakeholders. Friedman argues that the company creates optimal value for its local community, employees and other stakeholders by increasing the economic value of the company. Any society benefits from money and the firm’s financial strength is transmitted to the stakeholders, who indirectly benefit from the success of the firm. Therefore, Friedman claims, the main responsibility of the company is to optimize the shareholder value. Normann, in turn, in a sense reasons in quite the same way – but in the opposite direction! Through a wider stakeholder creation of value, the shareholders’ value will increase. Normann argues that the shareholders value will increase, not by capital and resource ownership, but rather by mobilizing, handling and using resources more effectively. As a result, strategy is closely linked to a firm’s position in the network – and not to the value of resources. The position in a network is A and O for all strategy. Strategy is based on mental processes and reframing of the business landscape. Therefore, I argue, the role of ethics in reaching a favourable position in the business network is highly interesting. This process has been researched in a case study on Stora Enso, (Lindfelt 2004a, 2004b), showing that for Stora Enso ethics does play a strategic role in some business relationships, foremost in investor and supplier relationships and to some extent in demanding customer and NGO relationships. In other words, these relationships are directly affected by the use of ethics codes. The ethics code thus to some extent alters the network position of Stora Enso in these relationships. Thus, the words – not the deeds – are examined in Lindfelt’s study.

Normann sees the world as socially constructed (see also Berger & Luckmann 1967). This means that reality appears as a result of a dialectical interaction between a conscious mental process on the one hand and individual and social action on the other (Normann 2001:326). This interaction requires communication. Normann argues that it forms the core of leadership, because in this interaction, possibilities appear for reframing of business. The leader should be a catalyst for the process and part of its construction. Based on this, I argue that when a leader understands how the moral questions of a firm function as common artefacts and can communicate these, then the leader understands how he can make use of e.g. ethics codes to promote the co-production of value. The communication of moral, sustainability related issues enables creation of legitimacy of the firm among other actors in the network. Such legitimacy is foundational for the reframing and restructuring of value creation systems – networks. Legitimacy is closely connected to the use of ethics codes – again, the ‘words’ or the ‘talk’.

An example is seen in the Stora Enso case. The Code of Ethics (2004) serves as a framework for the case firm’s whole approach to sustainability. Stora Enso’s definition of sustainability is that it equates corporate responsibility in the broadest sense, thus including environmental and economic issues as well as corporate social responsibility (Sustainability Report 2004:59). Stora Enso differs from the Finnish market in that the firm includes more social reporting in its ethical approach. The content of the Code of Ethics mainly centres on environmental and so-

1 The ValueNet research group is financed by the Academy of Finland and studied value creation in networks 1999-2004. The IMP-Group (Research Group for Industrial Marketing and Purchasing) has existed for some 30 years. The focus of the IMP-project has been to study and collect empirical data on business relationships (Ford 1990, Håkansson 1982, Turnbull & Valla 1986).
cial responsibility, with a small section on financial responsibility. Stora Enso annually produces a Sustainability Report. The role of the Sustainability Report seems to be to show the stakeholders and the business network, that Stora Enso is moving towards ethical targets. Deputy CEO, Björn Hägglund:

“With sustainability issues in the global economy becoming more and more complex, it is absolutely vital to review the situation regularly, to see whether our good intentions have borne fruit or not. Sweeping sustainability claims could easily lead us onto thin ice. We need to base our reporting accurately on the facts – we have to say what we do: and do what we say” (Annual Report 2004:5).

The main function of Stora Enso’s Code of Ethics is to demonstrate sustainability throughout its whole value chain - in other words, to display trustworthiness and create legitimacy. Key sustainability aspects are identified one area at a time and are followed by statements outlining the tools needed to achieve them. This is carried on across markets, society, investors, product units and employees. The Code of Ethics concludes that stakeholder engagement is vital for business operations, risk management and in order to identify opportunities for value creation. Worthwhile noting, is that the CEO claims “we have to say what we do: and do what we say”. In other words – walk the talk and talk the walk, alternatively; words must match the deeds and deeds must match the words. I will come back to this statement later on.

2.3 Chaoplexity and glocalization – drivers of ethics awareness and management

In addition, the new époque brings other aspects that highly influence ethics understanding, management and relevance. Business networks are not left out to the logic of the business network – but find themselves in the midst of a global and complex society. Bengt Kristensson Ugglå’s thorough contribution to the discussion on how to interpret the constantly changing environment is published in his Slaget om verkligheten (2002).

His book provides a well argued for incentive to understand and make sense of the marketplace from a philosophical and societal perspective. Kristenstson Ugglå's concept of chaoplexity and glocalization defines chaoplexity as a convergence of chaos and complexity. It describes the post-industrial society that firms need to adapt to, understand and make comparative advantages out of. Simultaneously, this new society is both difficult to overview and consists of niches for business. Chaoplexity creates a need among people to interpret and understand – to make sense of reality. Also other researchers try to describe this phenomenon. Normann, for instance, writes about absence of limits, a fog, and a lack of clarity in the physical world (2001:308). Other researchers address issues of turbulence (e.g. Hadjikhani & Sjögren 1996). However, Kristenstson Ugglå's chaoplexity provides a possibility for sensemaking of why firms during the past decade all the more anxiously have launched various types of ethics codes and principles, as exemplified also above with Stora Enso (see more about Finnish ethics codes in Rannikko 2004, Lindfelt 2004c). Consiousness of sustainability matters in and of business is a way to manage the increasing chaos and complexity: the chaoplexity.

The second concept, glocalization, is a product of two streams, or processes, in society: a process towards the local/regional and a process towards the global/universal. The streams are simultaneously evident and respectively strengthen each other at the expense of the national perspective (Kristensson Ugglå’s 2002). This phenomenon has been addressed in other disciplines, e.g. from a sociological, geographical and political point of view (such as Svensson 2001, Pries 2005, Robertson, 1995). Kristensson Ugglå (2002) interpretation of society gives an interesting sensemaking perspective (although he does not use this concept himself) on business networks, ethics codes and values. As exemplification, the study on Stora Enso shows clear signs of the glocal development. It is important for this firm that local sites develop own concrete ways of management which suit the local society well. Such management is to be in line with the global ethical initiatives (UN Global Compact, International Labour Organization, Global Reporting Initiative, etc, see more in Lindfelt 2004c), which form the central ideas in the Stora Enso Code of Ethics. This is not to say that the national Finnish or Swedish legislations are not considered important for Stora Enso, but these receive only lukewarm attention. Positive results, as well as negative scandals, are either on the local or the global scale. The forestry industry as such is also no longer of national character, but rather glocal, with strong local and global influences. In many cases, firms and their networks have a stronger influence and power over local regions than do the nation state. Kristensson Ugglå writes (2002:256):

“The nation state seems to on the one hand be too big to engage in local and regional matters of interest to the people, and on the other hand too small to engage in many of the global problems facing us today”.

What we see is rather that the nation state is an actor in a complex network, which together with other actors becomes stakeholders to companies. The nation state has then largely become an actor in the immense business networks. This is seen also in the type of relationship the Finnish jurisdiction, welfare, and development etc. have with Stora Enso; these form part of the network that is object to Stora Enso’s strategic interests. Likewise, Finland is dependant on and part in the formation of global initiatives, agreements and conventions on global ethics standards and sustainability matters. Normann (2001:331) addresses this matter in a concept of integrated diversity. Diversity as such gives rise to innovations and mental growth and is needed for the new types of businesses. However, diversity needs to be globally integrated so that global firms can operate and be legitimate in distant regions.

I claim that these same streams of development are also evident in aims for global ethics, where various cultures need to co-exist in a common frame of ethics understanding – an integrated diversity. The integrated diversity implies that understanding of ethics may have locally diverse manifestations, but should be integrated to a common understanding on the global level. What does this mean for walking the talk? I claim it is a too challenging task to formulate a general corporate ethics code that would be understood in the exact same way in locally diverse regions. Likewise – it is almost impossible to write down all ethically diverse actions and integrate them into a generally fully functioning ethics code. Thus – in a glocal society where the chaoplexity drives ethics issues to the forefront, businesses need integrated diversity. The integrated diversity rhymes badly with a written down ethics code. How can the corporation really walk its talk?

2.4 Trust

Kristensson Ugglå’s two concepts, chaoplexity and glocalization, describe the contemporary society and can be seen as drivers of ethics awareness and management in Stora Enso and

2 In original, the Swedish words kaoplexitet and globalisering (Kristensson Ugglå 2002).
other firms. Another main driver of ethics development is the issue of trust. The immaterial value of trust has reached a central position in the post-industrial and post-positivist society. Kristensson Uggla interprets that this comes from a shift in society of power and influence from material values (such as economic capital) towards immaterial values (2002:396). Trust steers economic operations at the local as well as the global scale and is a prerequisite for any business interactions. What is then special with trust? Trust has an elusive position in business, because when one focuses on it – it tends to disappear, argues Kristensson Uggla. An interesting example is seen in the business relation between Stora Enso and its customer, publishing company SanomaWSOY. Both companies have their headquarters in Helsinki and their business relationship goes generations back in time. SanomaWSOY’s was not aware of the Stora Enso Code of Ethics; neither would these issues be discussed in the business relationship between the firms. The reason was that discussing ethics had implied that trust was lacking in the first place – a position neither of the firms seemed willing to take (See more in Lindfelt 2004a, 2004b). Ethics codes can in this perspective have paradoxical and counterproductive outcomes. In an often-referred article of 1985, Granovetter discusses the modern industrial firm and its relationships to the environment. In the article he argues at length that social relations are, in fact, what create trust in economic life. He does not see “institutional arrangements or generalized morality” (1985:491) as enabling the same kind of social order or trustworthy behavior, although he does admit that such generally arranged norms indeed are necessary in society.

Thus, I claim trust may be promoted through ethics codes or similar statements, but does not depend on these. Likewise should an ethics profile not depend on words but on deeds. In other terms – the ethics codes are better of reflecting the actions – and not the deed the words. I will return to this. Before, however, the sensemaking perspective gives a deeper insight into the firm’s own perspective. How can one understand the making of sense?

3 Sensemaking of and in ethics management

Weick likes to describe sensemaking “as a developing set of ideas with explanatory possibilities, rather than as a body of knowledge” (1995:xi). This is also the setup of his well known book Sensemaking in Organizations. He argues that everyone engages in sensemaking in their normal life. Sensemaking literally means the making of sense. One can make sense of events, people, relations, structures, ideas etc. The idea is that as one constructs an understanding of the unknown, one makes sense to the world or issues within it. Sensemaking becomes of importance when something unexpected happens, a surprise, or a deviation from expectations. This is when one tries to understand and make sense of the world – the meaning of the surprise or event needs to be constructed. What then can sensemaking contribute with in this study? With the notions of a new époque, with new ways of doing business, in a new environment, it is necessary to try to make sense of why ethics is used all the more in and by firms. There is no evident answer to why this has happened. Is it an outcome - or cause? - of strategy, altruism, marketing or value creation? Or is it just a trend everyone follows? Sensemaking offers an interpretative process, which may result in an action, but can also result in more perceived information about a certain issue. The background of sensemaking comes both from a deductive and an inductive process, why it fits well in the empirical data on Stora Enso, achieved by using an abductive process (Alvesson & Sköldberg 1994).

3.1 Accuracy

The risk with sensemaking is, I see, that it justifies any construction of meaning that makes sense to one person or one firm. And if used in a scientific arena, this may impose problems linked to validity and epistemology. Kristensson Uggla’s (2002) tolkning, I understand, lies between Weick’s interpretation and his sensemaking. Weick sees interpretation as a process which is more evident; people usually agree upon the fact that something needs to be interpreted and the object of interpretation is somehow to be observed by various people. Sensemaking, on the other hand, he understands as implicit, starting with a person’s initial question whether things can be taken for granted at all. I understand Kristensson Uggla’s (2002) tolkning as midway because he argues for the fact that our environment must be interpreted in order for it to make sense and have a meaning to a person. Kristensson Uggla does not see this interpretation as a given process that anyone is aware of. Because there can be several understandings of an event or an ‘object’, it is important to find one sensible interpretation. This need not fill the demand for accuracy, because Weick claims accuracy is a difficult concept that poses problems in several perspectives, for instance: can accuracy be global? Can accuracy be seen in a study of interaction, such as a network setting? Weick means sensemaking is rather about plausibility, coherence and reasonableness, about socially acceptable and credible accounts. Sensemaking offers a way of making sense of something.

A brief reflection back to words and deeds provides that as accuracy gives way to sensemaking – judging accurate deeds from words is irrelevant and gives way instead to creating plausible words out of deeds. In other words: to walk the talk in a socially acceptable way – through integrating diversity!

3.2 Organizational sensemaking

Sensemaking from a firm’s perspective implies the following. First, the identity of the firm forms how the firm itself makes sense of various processes (Weick 1995). How does this translate to ethics processes in business networks? According to the theory of business networks, actors can be individuals, units or organizations/firms (Johanson & Mattsson 1997). In an industrial network setting, such as the Stora Enso business network, we saw that one of the research foci investigates the concept of positioning to understand strategic actions taken by firms in the industrial market (also Seyed-Mohamed & Bolte 1992; Möller & Wilson 1995; Håkansson & Snehota 1990). The actors (firms) have relationships with other actors (firms). A business network is formed of these diverse and interlocking dyadic relationships. An important concept is the notion of interaction in the relationships and in the business network. If turning back to the sensemaking perspective, Weick sees that identities are constituted from the process of interaction. Therefore, as the interactions shift in different relationships, also the definition of respective actor’s identity shifts. Not only does the actor see its partners from its own definition of the world, but the self of the actor also shifts according to whom the actor interrelates with. The actor’s identity is accordingly constituted from the process of interaction and interrelation in the network. Weick writes (1995: 20):

"Depending on who I am, my definition of what is ‘out there’ will also change. Whenever I define self, I define ‘it’, but to define it is also to define self. Once I know who I am then I know what is out there. But the direction of causality flows just as often from the
situation to a definition of self as it does the other way. And this is why the establishment and maintenance of identity is a core preocupation in sensemaking.

As exemplification, I ask: what does this mean for ethics as means for identity construction at Stora Enso? Lindfelt (2005a) found that misunderstandings of ethics arise because of varying value claims across regions and cultures (also Kristensson Uggla 2002). But also, it is important to notice, that the ethical network identity (Lindfelt & Törnroos 2006) of Stora Enso varies depending on the other part in the relation. Furthermore, Lindfelt (2004a) found the Stora Enso ethics code to function as a strategic action in some business relationships of the network, but not in all. When the ethics code shapes an ethical network role that is positive and pro-active, Stora Enso’s identity is sharpened from a strategic point of view. However, one cannot expect this to happen in all relationships, partly because actors have various demands on and expectations of Stora Enso. Issues such as culture, tradition and history partly form pieces of the picture. But also of importance is to understand that Stora Enso as a firm cannot expect to have the same identity to various actors (suppliers, buyers, NGOs, investors, etc) because its own identity construction is shaped and reshaped to some extent in the process of interaction. Ring and Van der Ven (1989, cf. Weick 1995) discusses this process and contends that an organization develops a self-referential appreciation of its own identity by projecting itself onto its environment. This process permits the organization to interrelate with its environment. I argue that the act of putting together an official ethics statement or code is to project the firm onto its environment, as firms usually include their stakeholders into such ethics codes. The code thus takes the form of identity construction for the firm. In this process, the firm simultaneously shapes its environment and is influenced by the same. This shows the ethical embeddedness of the firm in the network.

Second, in retrospective, the longitudinal study of Stora Enso shows how the sustainability development of the firm in the end may seem like a linear strategy. However, one can speculate that the learning process over the years has made Stora Enso’s decision making deviate from the original strategy of the first Mission-Vision-Value statement. Only in retrospective can one envision a strategy of development that seems rational. This is noted also by Mintzberg and McHugh (1985) where they argue that ongoing retrospective sensemaking creates emergent strategies that differ from the deliberate and intended strategies. Thus, they suggest that learning can substitute for rational decision making. In other words, the relation between deeds and words is characterized by a constant and dynamic learning process – not a static structure of congruence.

Third, noting the issues of legitimacy and image, there are issues linked to the so-called ‘license to operate’ as Stora Enso CSR Manager Kaisa Tarna (2004) expresses. Pfeffer (1981) sees that there are systems of shared meanings in organizations. In order to manage these systems, belief systems need to be constructed and maintained, for which language, symbolism and ritual is used. These belief systems legitimate and rationalize decisions based on the firm’s (organization’s) power and influence. Adapting Pfeffer’s thoughts to this case study means that the Stora Enso Code of Ethics is a constructed belief system communicated through language, being a symbol and setting ethical rituals. The Code is the company’s license to operate and legitimates its operations. This is needed because Stora Enso exerts power and influence in the sites where it operates. (We can see the global tension) Thus, legitimacy is also closely connected to image. Selznick (1949, cf. Weick 1995) argues that an organization, such as for instance Stora Enso, derives its meaning and significance from interpretations that people place on it. Image is crucial to the interpretations stakeholders and actors make of a firm. The firm’s image not only influences the counterpart in a relationship, but also the firm itself is shaped by the image as perceived by others. Thus, the ethics code constitutes legitimacy, a ‘license to operate’ in a world of integrated diversity. If successful, it creates a good image – but vice versa, if unsuccessful it may cause a scandal. As the interpretation of the ethics code must partly be left to various stakeholders and other actors, also the good image of a successful company is partly left to the powers of individual interpretation when people across the world make sense of an ethics code of a particular company.

Fourth, there is the issue of risk management in turbulent times. When Stora Enso uses the ethics code in business relationships, it is in form of a risk management, to make sure the suppliers deliver safe resources, that the investors stay attracted to Stora Enso and that buyers want to stay loyal to the firm, etc. Stora Enso surely in part creates the code to stabilize a turbulent environment and make it more predictable. Weick (1995) himself uses terms such as taking control over dispersed resources, creating legitimacy in the eyes of stakeholders, accountability and socialization. The firm itself may firmly believe in walking the talk – as seen by the Stora Enso CEO’s expression (above): “we have to say what we do; and do what we say”.

4 Discussion – about not walking the talk

Finally, it is time to ponder the interesting issue on words and deeds, understood in a sensemaking perspective. What has been brought up this far? The initial claim was that it is not relevant to expect firms to fully walk their talk in ethical matters. Words need not match the deeds – which not necessarily makes a firm unethical. The research question of the article read: Why is it not necessary to ‘walk the talk’? It has been argued that accuracy between words and deeds is considered utopia in a post-modern world, with chaoplexity and glocalization.

Furthermore, in a glocal society with chaoplexity drivers for ethics issues, firms need to aim for integrated diversity. Integrated diversity implies that a firm with a corporate global ethics approach may see that this is implied differently in locally diverse regions. Therefore, a real challenge is to formulate one general corporate ethics code for a global company. The claim on integrated diversity implies that words are not easily transformed into equally perceived deeds. It was questioned how the corporation really can walk its talk.

It has also been argued that the relationship between the words and deeds is constantly in a state of change. This is because the relation between deeds and words is characterized by a constant, dynamic learning process. Therefore, the learning process in ethical matters is central to the strategy, not the walk of the talk. A brief reflection back to words and deeds provides that as accuracy gives way to sensemaking – judging accurate deeds from words is irrelevant and gives way instead to creating plausible words out of deeds. In other words to walk the talk in a socially acceptable way – through integrating diversity!

In addition, it was seen that trust may be promoted through ethics codes or similar statements, but does not depend on these. Likewise, the ethics profile need not depend on an ethics code. Neither should the deeds follow the words – but rather the words could be constructed out of deeds.

Finally, how could one answer a claim that Stora Enso (does or) does not ”walk the talk”? Can a manager avoid a scandal
through the approach of sensemaking? According to the logic of Weick (1995), the question of walking the talk is not relevant, because it “is normal natural trouble in the multiple realities of organizational life” that managers cannot always walk the talk in everyone’s eyes. Consistency in actions and words is a way to deal with too few (managerial) actions being mapped back across too many words which contradict the actions. (Weick 1995:182-183). One of the central ideas in the book of Weick is that actions come before beliefs. The actions provide the sayings of the firm. What does this mean for Stora Enso? If there is not congruency between words and deeds, is that because the words have not made it up to the deeds yet? Sensemaking suggests this way to look at the world. Normally, Weick (1995) argues, we are prone to look the other way around that the deeds have not matched the words yet. And what if there are multiple interpretations of a value within an organization? Weick means that people often interpret this as weak organizational culture. Rather, he suggests, it shows on turbulence in the organization’s environment. Kristensson Uggla (2002) agrees with Weick upon the fact that it is useless to ask for a perfect ethical behaviour of a firm. He claims that it is even dangerous to ask for a world, where it would be possible to distillate the good from the bad. Such a society would be absurd, Normann (2001) sees that firms continuously need to change, because society and the marketplace changes. In order to secure legitimacy in society, the firm is to endlessly question its frames, its mission – its raison d'être.

As a final remark I like to add that as long as we do not expect human beings to be perfect and genuinely good in all actions, it is a utopia to expect firms to be flawless. After all, firms consist of people, who are not flawless. Therefore, I see that all that can be asked for in firms is the aim to become more sustainable, ethical actors. What is needed is maybe an Aristotelian approach in applying virtues, rather than what we oftentimes see in business; a teleological or deontological approach with more absolute claims. In the Stora Enso Code of Ethics, there is a tendency to strive towards certain goals. This is good in itself. However, any claim to actually also fully reach these goals should be seen with scepticism.

5 Contribution and further research

In summary, the paper contributes with a sensemaking perspective of ethical management, specifically that of ethics codes. It takes a provocative stance in arguing that deeds need not match the words in order for a firm to be ethical. The theoretical contribution stems from relying on conceptual discussion foremost of Weick (1995), Kristensson Uggla (2002) and Normann (2001) to fathom what the new époque means for driving business ethics development. Concepts such as glocalization, chaoplexity, identity, trust and image are discussed in relation to the development of business ethics. Aspects of how ethics can create value in firms and in business networks are seen as an unusual theoretical perspective. These aspects theoretically contribute to new ways of understanding driving forces of business ethics in the contemporary business market.

Empirically, the contribution comes through examples from the Stora Enso case. The paper provides an understanding of a handful of situations in which Stora Enso and its global environment interrelate in driving ethics issues to the forefront in the marketplace. Because Stora Enso is considered a Prime Mover, the article gives managerial insights to firms not this far developed in ethics management and therefore constitute a managerial contribution. However, one of the main managerial implications is that scandals could be avoided when understanding that it is irrelevant to ask any company to walk their talk. Rather, one should ask what has been learned from a negative experience and how this can be avoided in the future. In short, the paper offers a view on how ethics make sense in the post-industrial network economy.

In the field work with the case firm, CSR Manger Tarna exclaimed (2004): “The big question is: are we taking this (the work on ethics) in the right direction, are we doing enough? Does this work really make the world a more sustainable place?” These issues provide good guidelines for further research. It seems to me, after the sensemaking analysis and four years of study into these matters, that firms with ethical cognition are firms that are well managed. Why? These firms work for a sustainable development in a larger perspective. The firms have pondered their mission in the society, their vision for the future, their legitimacy to operate and have mentally overcome a moral uncertainty. The management of such a firm, I believe, has also in its creativity learnt much on the firm’s identity and values and what the firm aims for – both in ethical and economical terms. Therefore, the link between good management, ethical management and a sustainable development are close. However, whether ethics codes need be part of this development is unclear. This would be a good ground for further research.

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