Ethics Codes in Finnish Business

Finnish firms operate in an atmosphere of augmenting ethical pressure; from customers, investors, global analytical institutions and competitors, all relying on a jungle of various recommendations and norms. Finland has traditionally responded to such pressures by creating governmental laws to control business and to compel a greater sense of justice into business operations. However, Finnish firms are now faced with a mixture of national regulatory law, regional norms and international initiatives that create pressures in regard to ethical behavior. In reaction to this, some Finnish firms develop their own ethical codes, albeit in many cases on the basis of ideas given by initiators of global ethics. The aim of this article is to understand the extent to which Finnish firms use corporate ethics codes. This is achieved through three detailed research questions: a) How are business ethics understood and discussed in literature? b) Which existing recommendations and conventions are relevant to Finnish business? c) What is the extent and appearance of ethics codes among Finnish businesses?

In order to investigate the extent to which Finnish companies have official ethical codes, an empirical review of fifty annual reports was undertaken. The results of the study can be summarized as follows: Not many Finnish companies use ethics codes. There is great confusion regarding the terms value, corporate responsibility, social responsibility, ethics and similar principles. It is evident that the trend for ethics codes among Finnish companies is new. Pleasing customers/buyers is seen as important from an ethical perspective. Environmental responsibility is a primary ethical responsibility in Finnish companies, but social responsibility is not, although most companies use a form of the term CSR in naming their ethics code. Financial responsibility towards owners is seen as an important part of ethical principles. This study shows that at least some Finnish companies do care about societal and moral values and that these somehow try to operate in a tough business culture, but with more or less official ethical principles or values. Although the study demonstrates that Finnish companies do not use ethics codes as often as, for example, American, British or German firms, the article proposes that Finnish companies are not less ethical than companies in these countries. Rather, Finnish companies can be anticipated to avoid including moral rhetoric to market themselves towards customers and partners because they feel uneasy with the procedure. It is argued that the trend for ethics code usage in business is not fully in line with Finnish culture and is an imported tradition that the market, consumers and companies are gradually embracing.

The contribution of this paper lies in understanding business ethics in a Finnish context, in reviewing and analyzing the appearance of ethics codes in Finnish corporate life, and in raising awareness of the confusion regarding the terms value, ethics, vision and mission. In sum, this paper is part of a wider discussion on how Finnish business life can adapt to the use of ethics codes in business.