



InHolland University of Applied Sciences

**IS THE CODE OF CONDUCT A MERE MARKETING
TOOL OR A NECESSARY INSTRUMENT FOR A
GLOBAL COMPANY LIKE VAISALA**

**A Case Study of a Finnish Public Limited Company Vaisala,
specializing in environmental and industrial measurement**

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Statement of Originality

The content of this advisory report is property of the author. The report has been written by the author, except where there are references about other sources made, the list of references can be found in the end of this report. The report is submitted to InHolland University of Applied Sciences for double-degree program International Business and Management Studies and has not been submitted before to any other degree programs in any other universities.

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Anna Elina Raninen

May 2012

Preface

This research concentrates on studying the code of conduct of a Finnish Public Company called Vaisala and how it is implemented in different departments of the company. This study is conducted to demonstrate the knowledge and skills gained during the four-year studies of the researcher. The research aims to explain how the IBMS competencies are related to real life business problems.

The topic is very close to the interest of the author and it has been a pleasure to study the company and research the literature related to the research subject. The researcher has worked at Vaisala before starting to work on the research.

The author is a 24-year old Finnish student, Elina Raninen from Metropolia Business School, Finland who is finishing her double-degree studies in InHolland University of Applied Sciences in the Netherlands and will graduate during the summer 2012.

Acknowledgements are given to Mrs. Jeannette van Geuns and Mr. Tomi Rintanen who both have been very supportive throughout the project.

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1. CHAPTER 1 – Introduction

1.1 Executive Summary

This research studies the implementation of the company code of conduct of a Finnish Public Company called Vaisala. Vaisala is a global company operating in more than 140 countries and focuses on environmental measurements such as weather measurement and chosen industrial measurements.¹

The topic of this research is whether the code of conduct only exists for marketing purposes or is it a necessary instrument for a global company like Vaisala. The literature about the topic is wide and the researcher found out that usually the codes of conduct exist mainly for marketing purposes or because it is required by customers and suppliers nowadays. In addition, the pressure towards companies concerning ethical behavior is on the rise.

The code of conduct of the company has been put in place 2008 and its visibility or implementation has never been studied before. In general as well, there is very little research done on the effectiveness of companies' codes of conduct. This research has been conducted by interviewing five employees from different departments: management, instrument manufacturing, sales, service and product development.

The results of this study show that in Vaisala's case, the company code of conduct is put in practice quite well and it does not exist only for marketing purposes. All the interviewees seem to be somewhat familiar with the code and all of them could give precise answers on what kind of situations they implement or use the code of conduct.

¹ Vaisala Home Page: <http://www.vaisala.com/en/corporate/organization/Pages/default.aspx>

1.2 Introduction

This paper researches the code of conduct of company called Vaisala Public Limited Company (hereafter referred as Vaisala) and whether the code of conduct is a mere marketing tool or a necessary instrument in the global company like Vaisala. Vaisala has offices in several countries and operates in more than 140 countries but the emphasis of this study is the implementation of code of conduct in the headquarters in Vantaa, Finland. The code of conduct has been put in place in 2008 and it has ten aspects (see appendixes). Since Vaisala's code of conduct reflects their values and attitudes, it is therefore important to research if they are truly executed and the results may help the company to improve their corporate responsibility issues as well as improve their business. This paper aims to research the implementation of the code of conduct – do the employees know about it, how it is seen in their everyday working life and if changes in the code of conduct would be necessary. In addition the aim of the research is to find out whether the implementation of the code of conduct varies between the departments. For this study the researched departments are management, sales, instrument manufacturing, product development and service.

The literature review reveals that in some cases the code of conduct is fulfilled to meet the customers' and suppliers' expectations and only to serve the company in other ways than ethical, for example in marketing purposes or to please the customers and suppliers. In addition it is claimed that the code of conduct is developed because of its trendiness but is not implemented actively.²

The research has been conducted by using online phone interviews which is the most suitable way of interviewing for this certain study, when researching a company based

² O'Dwyer & Madden (2006), p. 221-222

in other country than where the researcher lives. The researcher has interviewed five different people from different departments mentioned above. The questions asked have been related to the topic (see appendixes) and have been concentrated on different situations where interviewees have seen the code of conduct helpful and beneficial.

The research is structured to have five chapters of which each has its own topic. These five chapters can be roughly divided in four themes – the reasoning for the research, literature review, methodology and finally the analyzing of the results. In the literature review relevant articles and books are represented and the theoretical base for the paper is formed. The methodology chapter goes deeper into the methods used to execute the research and how the interviews have been analyzed and how they have been broken down. Finally, the results and findings of the research are scrutinized and recommendations are stated.

The conclusion and recommendations can be found in the end of the research.

1.2 Problem Statement

The implementation of Vaisala's code of conduct has never been researched before. The transparency of it has been passed in the company's yearly survey about the satisfaction of the employees and according to the management³ the results have been good. In addition to this, when starting to work for the company, each employee has to sign the company's code of conduct and by doing this the employee agrees to exercise the code.

³ Interview with Mr. Ari Meskanen, 16th April 2012

The problem statement of this study is if the code of conduct is a mere marketing tool or a necessary instrument in a global company like Vaisala. Since it has never been properly researched, it is relevant to know whether it is put in practice in everyday functions. The study researches the implementation of the code of conduct in Vaisala's headquarters in Vantaa, Finland.

The code of conduct is significant part of business. Along with the values and mission of the company, it explains more in detail how the company aims to act ethical and responsible. Moreover, it is a guideline for the employees when they are facing challenging situations. During the research, it was revealed that the code of conduct is especially important when working closely with customers and suppliers.

1.3 Aims of the Research

There are several reasons why the codes of conduct are important and necessary for companies. First of all, the fact that each employee is a representative of the organization and therefore it is important that the behavior of employees reflect the reputation and values of the company.⁴ In addition the codes of conduct or codes of ethics are becoming more and more significant for companies to have. The code also guides employees in complex situations⁵ and regulates the company and gives a glance of its' business ethics for customers. Based on these arguments, it can be said that it is very important for an organization to have a well-planned code of conduct which also reflects their values. Vaisala says that their code of conduct is to be followed by all their employees and that it reflect the actions taken by their staff every

⁴ Fisher & Lovell (2003), p.211

⁵ Fisher & Lovell (2003), p. 211

day.⁶ Based on this statement, the researcher sees that it is worth to research this thoroughly. The aim of the research is to find out whether the statement is true and correct.

The research is important for the research company as well – based on the results of this study, they can further develop or even change their code of conduct according to the opinions of the interviewees. As mentioned before, the subject has never been fully investigated before, the subject was also proposed by the sustainability manager at Vaisala.

1.4 Significance of Study

The significance of this study is high. The effectiveness of codes of conduct is a topic which has not been researched much⁷. The fact that the subject has never been researched at Vaisala either, adds great value for the study as well. In addition, the right implementation of the code of conduct can increase the effectiveness of the company's mission and vision as well as their values. Not to mention the overall benefit for the company when all their employees follow the code of conduct.

The inquiry for the study has been received from the sustainability manager of the company and is therefore crucial to study thorough.

⁶ Vaisala Home Page:
<http://www.vaisala.com/en/sustainability/responsiblevaisala/codeofconduct/Pages/default.aspx>

⁷ Adam & Rachman-Moore (2004), p. 226

1.5 History and the Details of the Company

Client: Vaisala Plc.

Address: Vanha Nurmijärventie 21, 01670 Vantaa, Finland

Telephone: +358 9 894 91

Contact person: Mr. Tomi Rintanen, Sustainability Manager

Telephone: +358 40 482 2478

Vaisala offers meteorological measurement equipment for weather-dependant businesses, for example for airports and weather forecasting organizations. The product range is wide, there are more than thousand products and the way they are built, is high-technology and requires high level of expertise from the fields such as chemistry and engineering.

Vaisala was founded in the 1930's by a Finnish professor Vilho Väisälä (1889-1969)⁸. Professor Väisälä was talented scientist and meteorological phenomena were his passion. His most important invention was the radiosonde in 1931 - a weather balloon which measures atmospheric parameters and delivers the information to the receiver on ground. This product was the break-through for the company and is still sold constantly to customers worldwide.

Today Vaisala is a global company operating in more than 140 countries and achieved net sales of 273.6 million Euros in 2011, in addition the operations outside Finland accounted for 98% of net sales.⁹ In Vaisala's headquarter in Vantaa, Finland works more than 1000 employees.

⁸ Vaisala Home Page: <http://www.vaisala.com/en/corporate/history/professorvilhovaisala/Pages/default.aspx>

⁹ Vaisala Home Page: <http://www.vaisala.com/en/corporate/facts/Pages/default.aspx>

Since Vaisala's field of business is very close to environmental issues, therefore the company stresses the environmental issues and ethical behaviour throughout their operations. Thus it is relevant to investigate how these statements are executed in the company. Moreover, according to the sustainability manager of Vaisala the code of conduct has never been studied before. In addition to this, the researcher found out that there are not many studies which research the implementation of the codes of conduct.

2. CHAPTER 2 – Literature Overview

The second chapter presents the research done earlier about the topic. It focuses on the researches done of the effectiveness of the code of conduct as well as on the reasoning behind the codes of conduct. Moreover, the aim is to study the methodology of these studies as well.

2.1 Literature Review

Fisher and Lovell (2003) talk about the reasoning behind code of conduct in their book “Business Ethics and Values”. It is relevant for this study to research the purposes of the codes of conduct and the reasons why companies have them.

According to Fisher and Lovell the definition of code of conduct is as follows:

Codes of conduct tend to be instructions, or sets of rules, concerning behavior. As a result they are likely to be reasonably prescriptive and proscriptive concerning particular aspects of employee behavior. They identify specific acts that must be either adhered to (prescription), or avoided (proscription). However, the extent to which all possible situations can be addressed within a code of conduct is problematic.¹⁰

In other words code of conduct is set to guide the employees as well as showing customers or suppliers what the company’s rules and behavior guidelines are. Naturally, the aim for each company would be to follow the code of conduct as strictly as possible.

Occasionally code of ethics is mentioned when talking about the code of conduct, although they do not exactly mean the same thing. Fisher and Lovell define the code of ethics as follows: “encouraging employees to display particular characteristics such

¹⁰ Fisher & Lovell (2003), p. 210

as loyalty, honesty, objectivity, probity and integrity.”¹¹ Therefore the code of ethics guides the employees even more in their behavior and especially how to display that they act ethically and responsibly as well as show it for the people who do not work for the company when code of conduct gives more precise and practical advices how to behave in problematical situations and by doing things and using the code, they execute the code of conduct.

Katsushi Yamaguchi (2010) investigates the code of conduct in the article about how to implement code of conduct in overseas suppliers’ factories and says that the code of conduct addresses issues relating both environmental and social responsibility.¹² According to this definition, the environmental side is to be taken into consideration which is very relevant in this research because of Vaisala’s high commitment to environmental issues such as Green Office and the company’s regard to other sustainability considerations. Vaisala considers the environment as their key stakeholder¹³ and therefore it is highly related to their business. In addition, because of the nature of their products – environment measurement equipment, it would be negative image for the company not to care about the environment and sustainability. The high concern about the environmental matters also brings competitive advantage for the company comparing to other companies producing similar products but in smaller product scale.

Kaptein and Schwartz (2007) use the word business code in their research of the effectiveness of business codes. The study reveals that the history of the codes goes as far back in history as in 1924¹⁴ when the first book “Code of Ethics” by Edgar

¹¹ Fisher & Lovell (2003), p. 210

¹² Yamaguchi (2010), p.134

¹³ Vaisala Home Page: <http://www.vaisala.com/en/sustainability/environment/Pages/default.aspx>

¹⁴ Kaptein & Schwartz (2007), p. 112

Heermance, was published. The study states that the objectives of the code of business can be internal or external. Internal meaning how employees treat each other and the external being how for example the stakeholders or suppliers are treated.

Kaptein and Schwartz also state that there is little research made concerning the code of business and its' effectiveness. The writers present a table (see appendix IV) which shows the effectiveness of the code of business with the information gathered from several existing studies. According to Kaptein and Schwartz, 35% of studies show that the codes are effective, 16% of studies find the effectiveness weak, 33% of studies say that there is no effectiveness and 14% of studies show mixed results.¹⁵ This information can be found highly relevant in this study due to the fact that in Vaisala's case, the result seems to be the opposite of what the majority of studies show.

O'Dwyer and Madden (2006) researched how companies' code of conduct is implemented in Ireland based companies. In their research they have investigated top 1000 Irish companies by using a questionnaire survey. O'Dwyer and Madden claim that code of conduct has become fashionable for large companies but in reality they do not necessarily implement the code of conduct actively.¹⁶ The focus of this paper is equivalent - why and how the code of conduct is executed in a particular Finnish public company. O'Dwyer and Madden have carried out their research by using a questionnaire survey with the response rate of 14,2%.¹⁷ For purposes of this study research method might not be the most efficient one and therefore using online phone interviews with fewer interviewees, the result might be more accurate. The results of

¹⁵ Kaptein & Schwartz (2007), p. 113

¹⁶ O'Dwyer & Madden (2006), p. 221-222

¹⁷ O'Dwyer & Madden (2006), p. 221-222

this research reveal that in Irish companies the use of code of conduct has increased from 1995 to 2000.

Béthoux et al. (2007) research the codes of conduct on corporate social responsibility issues. The article discusses about the reasons why codes of conduct exist; it claims that codes are generated because of their necessity to meet customer's expectations as well as to use them in marketing and commercial purpose.¹⁸ In addition the writer mentions that the code of conduct is conducted to guide the employees and not so much for the customers or suppliers. Béthoux et al. also state that the code of conduct solves the problem of the relationship between the employee and the company regarding confidentiality issues.¹⁹ The article mentions the code of conduct when talking about high-tech companies and their innovations as well as property rights, as a problem solving tool for the issues between the employee and the company. Matters concerning the code of conduct might come more visible in a company where there are patents and property rights involved – it is therefore important for the employees to follow the code of conduct and act correctly when it comes to confidential information about the products and their future developments, for example. The point of limiting the information and knowledge of workers by using the code of conduct is relevant in Vaisala's case as well for the reason that it can be listed to be a high-tech company.

Niklas Egels-Zandén (2007) discusses about codes of conduct in suppliers' perspective. He finds out that there is lack of compliance with implementation of the codes of conduct among Chinese toy suppliers. Breaching the codes of conduct can lead lower prices for retailers. The research was executed by interviewing 108

¹⁸ Béthoux, Didry, Mias (2007), p. 78

¹⁹ Béthoux, Didry, Mias (2007), p. 88

employees²⁰ anonymously for average time of 20 minutes each. The interviews were not recorded because of the resistance from the interviewees but precise notes were taken by the interviewer. The writer says that this method guarantees the most reliable results in the framework of his study. Egels-Zandén's study shows that two thirds of the suppliers did not comply with their code of conduct.²¹

Kolk et al. (1999) describe code of conduct as encompassing guidelines, recommendations or rules with the intention to affect the behavior of business to execute corporate responsibility.²² Number of articles including Kolk et al., refer to the fact that the codes of conduct are in place only to influence competitors, shareholders, suppliers and customers.²³ One of the purposes of this study is to research if this is the case in Vaisala as well. Kolk et al. also proposes that the code of conduct has been drawn upon from the fact that it is fashionable for companies to self-regulate themselves.²⁴

Ann Florini (2003) talks about the growing role of corporate codes of conduct in her review. Florini states that especially the U.S. based companies started to pay more attention to non-governmental issues like code of conduct in the late 1970's.²⁵ The review says that generally there are two types of codes of conduct – aspirational which is a general statement of what corporations do²⁶ but these codes of conduct do not require confirmation about the fact that they are executed. The second type demands more evidence that the company actually is executing their codes. There

²⁰ Egels-Zandén (2007), p.48-49

²¹ Egels-Zandén (2007), p. 52

²² Kolk, van Tulder, Welters (1999), p. 151-152

²³ Kolk, van Tulder, Welters (1999), p. 151-152

²⁴ Kolk, van Tulder, Welters (1999)

²⁵ Florini (2003), p. 2

²⁶ Florini (2003), p. 3

might be an external auditing where it is confirmed that certain norms are met.²⁷ This is relevant in this study as well since Florini's study reveals that Vaisala belongs to the ladder type. Vaisala executes the Green Office principal which is Finland's World Wide Fund for Nature's (WWF) program. The aim of this program is to bring practical advices to employees of how they can reduce waste, energy and paper consumption.²⁸ Vaisala's office in Vantaa, Finland was accredited with the Green Office in 2010 and therefore they have the right to use the WWF's logo for the Green Office program.

Mijatovic and Stokic (2009) studied the corporate social responsibility and the codes of conduct. They claim that the existence of the codes of conduct is a visible sign that the companies are aware of ethical matters and that they also require ethical behavior from their employees.²⁹ They also state that having the code of conduct is not necessarily enough for a company but it needs to be backed by other ethical initiatives as well. In Vaisala this statement is significant for the reason that they support their code of conduct in other ways as well – the Green Office program is a good example of this as well as the waste management system which all employees execute.

Adam and Rachman-Moore (2004) studied the methods used to implement the ethical code of conduct and claim that the code of conduct is sometimes conducted only to uplift the company image and to prevent the negative criticism.³⁰ In this study it is researched that this is not the case at Vaisala. It seems that the visibility of their code of conduct is fairly good and that the code is actually familiar to the employees and not existing only for appearance reasons. Adam and Rachman-Moore also state that

²⁷ Florini (2003), p. 3

²⁸ Vaisala's Home Page: <http://www.vaisala.com/en/sustainability/environment/Pages/Green-Office.aspx>

²⁹ Mijatovic & Stokic (2009), p. 3

³⁰ Adam & Rachman-Moore (2004), p. 226

that there is little investigation made about the effectiveness of the code of conduct. Thus this study is relevant in the sense that not many studies exist about the topic.

To conclude the secondary literature researched for the study it can be stated that the code of conduct is mainly conducted for the employees of the company and not so much for the customers or suppliers³¹. Thus the purpose of the codes of conduct is to guide the behavior of the employees but also meet the expectations of the customers. There is little research made about the implementation of the coded of conduct but the effectiveness of them have been studied (Kaptein & Schwartz) where it was showed that majority of the codes of conduct are effective.

It should be taken into consideration whether the codes of conduct are developed for internal or external purposes. In this study the internal point of view is discussed in more detail but the external factors are touched on as well. The literature reveals that in several cases the codes of conduct exist for commercial purposes and for their fashionable aspects but at the same time other study states that they are also conducted to solve confidentiality issues (Béthoux et. al).

Not many of the studies are conducted by qualitative interviews, O'Dwyer and Madden (2006) used questionnaire and resulted with a response rate of 14,2%, Egels-Zandén (2007) again used interviews and found out that the majority taken part to his study did not comply with the code of conduct. The researcher of this study agrees with Egels-Zandén when he argues that interviews result in more reliable answers than questionnaires.

The literature review also shows that in some cases the codes of conduct exist to influence competitors and shareholders as well as the customers and suppliers. This

³¹ Béthoux, Didry, Mias (2007), p. 78

argues against the definition of codes of conduct which said that they are conducted to guide employees (Fisher & Lovell). Other study again defined the codes of conduct to be a visible sign that companies are aware of ethical matters (Mijatovic & Stokic) but state that it is important that companies also use other methods to support their ethical behaviour. Adam & Rachman-Moore again stated that codes of conduct mainly exist to support the positive image of the company and prevent the negative one.

3. CHAPTER 3 - Methodology

3.1 Restate Purpose and Research Questions

The purpose of the research is to find out whether the code of conduct is a necessary tool at Vaisala's headquarters in Vantaa, Finland or does it exist to meet today's ethical requirements? Moreover, in what kind of situations the code of conduct is referred to if it is used in the company. The literature review revealed that not all companies execute their codes of conduct actively but they have been put in place to meet the expectations of the shareholder, customers, and suppliers or to affect the competitors.³² This research aims to find out whether this is the case at Vaisala as well.

Thus the research question is:

“Is the code of conduct a mere marketing tool or a necessary instrument for a global company like Vaisala?”

The study also researches the sub-questions:

“How does the implementing of the code of conduct vary by departments?”
“What changes could be done to the existing list of code of conduct?”

The null hypothesis is based on the literature made for this study and thus is: The code of conduct of Vaisala exists only for marketing purposes and to satisfy the requirements of the customers and suppliers. It is not actively put in practice in the company.

³² Kolk, van Tulder, Welters (1999). p. 151-152

3.2 Population and Sampling

The primary research method for the study has been done by qualitative interviews of the representatives of five departments in Vaisala – management, instrument manufacturing, product development, sales and service.

The population of this study is defined as employees at Vaisala and the population is chosen by the sustainability manager at Vaisala as well as by the researcher. There are altogether five interviewees from which four are Finnish, three males and one female and one is Chinese female respondent.

The attempt has been to choose a representative from each department who also has subordinates and therefore represents his/her team. These particular departments are chosen because of their variability in customer orientation, the study also wants to find out whether it matters if the employees are in touch with customers or not. The aim has been to choose dissimilar departments in order to get the widest possible range of answers. In addition, in the scope of this study, researching all departments would have made the scope too wide and therefore five departments are chosen instead of all departments. In a big company such as Vaisala it can be assumed that the tasks vary more than in small companies when changing departments, therefore it is important to know how the knowledge about the code of conduct varies by departments.

Based on the literature review the qualitative interviews seem to be the best method for the topic in order to get precise results. It is also possible that by sending out several anonymous questionnaires the answers are not as precise or honest as what they are in interviews. It is more likely that the respondents answer the questions

more truthfully when they are interviewed directly than what they would fill out a survey independently.

3.3 Instrumentation

The research was conducted by qualitative interviews. The interview questions were sent for the interviewees beforehand and were conducted in Finnish and English, because one of the interviewees was Chinese and not completely fluent in Finnish. The interview questions were compiled of seven questions (see appendix III) which aimed to find out the knowledge about the code of conduct and the specific situations that it is used.

3.4 Procedure and Time Frame

The research was started in November 2011 in a meeting with Vaisala's sustainability manager Mr. Tomi Rintanen and the researcher. The meeting was held at the headquarters of Vaisala, in the meeting the subject of the research was discussed and decided. In December 2011 the research plan was conducted and handed in to Mr. Rintanen in January 2012. The communication between the research company and the researcher has been regular since November 2011.

In March 2012 a meeting between the two parties was held and the interview questions were discussed. In the meeting the possible departments for the interviews were discussed and later the researcher received a list of names from Mr. Rintanen. During April 2012 the dates for the interviews were set and the first interview with Mr. Ari Meskanen took place. Following interviews were done during April and May 2012, the final interview being on the 14th of May.

The research is to be returned on the 29th May and presented and defended on the 13th June 2012.

3.5 Analysis Plan

In this chapter, the interview questions are analyzed and the meaning behind them explained. The aim in the interviews has been to form a comfortable conversation where the interviewee would feel ease and thus detailed answers would be received. The researcher has stressed the importance of the particular situations where the interviewee has used the code of conduct. Also in the end any suggestions for changes regarding the code of conduct have been emphasized.

The five interviews are all made by phone interviewing. Two of them with the help of Skype and other three through mobile phone interviews due to the fact that the interviewees did not have any relevant program for online phone interview or did not have time to install them. In one case there were problems with the connection and therefore the interview was made by mobile phone in the end but was nevertheless recorded. The two Skype interviews have been recorded and the other two done by mobile phones, are written down as specifically as possible.

1. What do you know about Vaisala's code of conduct?

The aim of the first question is to start the conversation with some general discussion about the topic. This question also provides information for the researcher to find out which way the interview should be directed based on the answer. Whether the interviewee does not know much about the code of conduct then it is relevant to explain him/her what is meant by the term. If he/she is familiar with the code the interview can move on to the next question.

2. How do you apply the code of conduct in your department?

The second question aims to narrow down the situations where the code of conduct is used. It also tries to find out how other people in the department apply the code of conduct. Might be that the interviewee cannot answer to this question but it is relevant to ask this because the purpose of this study is that the interviewee represents his/hers department.

3. How do you apply the code of conduct in your everyday working environment?

This is one of the most important questions in the interview. The aim is to find out the exact situations where the code of conduct has been useful or the interviewee has referred to it any ways. This third question is also the core of the study and the answers gained from this, are very significant for the study.

4. How do you feel that the code of conduct is put in practice in Vaisala generally?

The fourth question again takes the interview to the general level. This is more of a question of opinion and therefore asks how the interviewee feels that the code is implemented in Vaisala. in general. Based on the results on this question, the researcher can make assumptions about the general atmosphere concerning the code of conduct.

5. What benefits you think can be gained from the code of conduct to your department and for the organization?

The fifth question aims to arise some thoughts about the usefulness of the code of conduct. Might be that in this phase, the list of all the codes has been gone through, if

necessary and the interviewee is familiar with them. Thus it is easier to come up with the benefits of it. In addition, the question encourages the employees to get to know the code if that is not the case already and also encourage others to do so as well.

6. How the information about the code of conduct should be delivered to the employees/your department?

The sixth question directs the conversation to the direction of possible changes. If the interviewee feels that the code of conduct is not visible enough at the moment, this is when he/she can express his/hers feelings and proposals of how the code could be better implemented.

7. Are there any changes that should be done regarding the code of conduct or any development ideas?

The last question gives the interviewee the opportunity to give suggestions about changes in the code of conduct. It is important to know if there are aspects in the code of conduct which the employees do not recognize or find hard to implement in practice.

3.6 Validity and Reliability

The validity of the research is discussed in this chapter; the different concepts of measuring the validity of the study are used.

The face-validity refers to the fact that the interview question is misunderstood. In this research it is unlikely that the questions would be misunderstood because of their simplicity. The questions have also been discussed together with the supervisor at Vaisala. and they have been formed to be as clear as possible. Of course, there is always a chance that some of the interviewees misunderstood the question but as long

as he/she does not clarify for the researcher that he/she did not understand the question, the correction to the question is impossible.

Content validity refers to fact whether an instrument provides a good coverage on the topic of the research. The interview questions have been built around the subject area of the topic and direct questions related to the implementation of the code of conduct have been presented.

3.6 Assumptions

The assumption made for this research concern the answers of the interviewees. The researcher must assume that the interviewees and their answers act as a representative of their team or department. In addition, it is assumed that the interviewees understand the questions correctly and answer them truthfully. Moreover it is assumed that the answers gained from the interviews represent the results of this study.

3.7 Scope and Limitations

The limitation of this study is the fact that not all the departments have been interviewed. Also, better results might have been gained with face-to-face interviews which were not possible in this particular time frame. This study researches the headquarters of Vaisala but if the scope of the research would have been wider, the company as a whole could have been studied and interviews to other offices could have made. Thus the research results could have been more extensive.

4. CHAPTER 4 – Results

4.1 Results from Management

In this chapter the results of this research are presented and analyzed. The most relevant and important questions which resulted with the information concerning the implementation of the code of conduct, are analyzed and conclusions are drawn. The essential information of the interviews is presented in the fourth chapter about the results of the study.

The first interview was with Mr. Ari Meskanen who is the Senior Vice President and a member of the group management as well as the head of the sales department. Mr. Meskanen has worked for Vaisala for 14 years in different positions, mainly in managing.

In his opinion the code of conduct is implemented rather well in the organization. He points out that many of the aspects are implemented by the employees but they are not necessarily aware that they actively implement the code.³³ He also mentions that the code of conduct is more of a guidebook that is referred to when facing challenging situations. In his opinion the code of conduct is mostly used in the decision making process, more specifically he mentions situations where the employees are not exactly sure which way to go, they refer to the code of conduct and act according to it, in other words, they let the code make the decision for them to ensure that whatever they do, are according to the company values. Another situation he mentions, is when talking about strategy or other big changes in the company, they refer to the code of conduct for help if there is no detailed information or solution to the problem

³³ Interview with Mr. Ari Meskanen, 16th April 2012

available. Also, in decision making the code of conduct can slow or stop the process if it is noticed that some aspect do not go along with the code of conduct.

As he is in contact with the customers, he says that especially when dealing with customers, it is significant to follow the code of conduct to show customers that the people they are dealing with are behaving ethically and according to the values and code of conduct of Vaisala. He tells that the code of conduct is used approximately once a month but they are seen in everyday working environment regularly. He finds the code of conduct an important part of the company and feels that they are put in practice throughout the company relatively well.

Based on Mr. Meskanen's opinions, the conclusion about the implementation of Vaisala's code of conduct can be drawn. In the management point of view, the code of conduct is seen as an important tool which is used regularly. In addition, Mr. Meskanen mentions that the list of codes could be shortened maybe to five or six aspect to make it easier for the employees to remember and use actively.

4.2 Results from Instrument Manufacturing

The person interviewed from the Instrument Manufacturing was Mr. Tuomas Rätty. Mr. Rätty has worked for the company all together seven years and is the team leader of Instrument Manufacturing.

Mr. Rätty says that the code of conduct is used daily in customs and border crossing issues when delivering products to China or Japan, for example, the relevant papers and stamps are required to follow the legislation. In his statement, Mr. Rätty refers to the point one in the company's code of conduct: We comply with national laws and regulations (see appendix I). Thus the code of conduct is implemented in his team

regularly. In this opinion, his team executes the code but it is not necessarily visible seen or brought in to attention. He also states that in his opinion the code of conduct is very useful and that his team members obey it but is not necessarily aware of it if the code would be questioned.

Mr. Rätty mentions that in yearly staff survey the code of conduct is touched on by asking employees do they know the code, Mr. Rätty suggests that the question could be more directly related to the specific codes so that people would have to think about them more and maybe get more information about them.

When asking Mr. Rätty for possible changes to the code, he says that they could be more visible throughout the company due to the fact that in his opinion the list of aspects in the code, are useful and the visibility could be better executed. Thus Mr. Rätty suggested that it might be a good idea to print the code of conduct and put it on the walls throughout the company facilities hence the code of conduct would be concretely more visible. He also states that some of the points in the list could be combined, for example the fourth and the fifth point (see appendix I) regarding the ethical behaviour towards suppliers and customers.

4.3 Results from Sales

In this research, Mrs. Jing Lin was interviewed on behalf of the Sales department; she holds the position of Application Manager of area of Meteorology. Mrs. Lin has worked for the company for three years.

When talking generally about the code of conduct, Mrs. Lin says that she first got to know the code when starting to work at Vaisala. Every new employee has to sign and accept the code of conduct; the code is also part of the training module which is used

with new employees in the orientation phase. Since Vaisala's code of conduct has been put in place in 2008³⁴, Mrs. Lin is the only one of the interviewees who has personal experience about the usage of the module as a new employee.

Mrs. Lin says that she uses the code of conduct when dealing directly with customers and in contractual matters. In addition she mentions that the code is used when supporting the sales team in everyday working environment. Mrs. Lin gives a specific situation of the usage of the code of conduct – she says that for example when dealing with important customer, in a problematic situation she refers back to the code of conduct and based on that, she makes her decision. She says that she could not do something which is against the code of conduct, just to please or make the customer happy, even though the customer might be important.

Executing the code of conduct in Vaisala works well based on the answers received from Mrs. Lin. She mentions for example the Green Office Program related to third aspect in the code of conduct (see appendix I) as well as the eight point related to the contribution to the communities, she says that the company's Giant Leap program, which is a program for interns writing their dissertation, is a good example of how the company takes the communities into account in their business operations.

Mrs. Lin does not have any particular changes to the code of conduct but says that it is fine as it is now. She suggests though that there could be a true story about the employees who use the code of conduct to solve problems, she suggests that this kind of story could be on the website of the company maybe once a year.³⁵ Through

³⁴ Vaisala Home Page:
<http://www.vaisala.com/en/sustainability/responsiblevaisala/codeofconduct/Pages/default.aspx>

³⁵ Interview with Mrs. Jing Lin, 2nd May 2012

concrete examples of the usage of the code, more people would become aware of it and the visibility of it would be seen by customers and suppliers as well.

4.4 Results from Service

From the Service department, Mr. Veikko Lamminsalo was interviewed to give his point of view about the implementation of the code of conduct. Mr. Lamminsalo has worked for the company for 10 years in several positions; currently he holds the position of a Helpdesk Manager.

Mr. Lamminsalo says that the code of conduct is something that should be integrated in every employee of the company. When asking about the situations when the code of conduct is used, he mentions the tariff and import matters when the legislation has to be taken into consideration. Specifically he refers to tariff issues when exporting products from the service back to the customers – when sending product to for example China, the value of the good needs to be marked clearly on each document for customs matters, in some countries the rules about the values and where they are marked are very strict and generally when lowering the value of the good, it might be easier to import the product in to the country. Mr. Lamminsalo mentions this as an example of following the code of conduct, where it says that legislation and laws are to be respected. In case the customer proposes that Vaisala would lower the value of the goods for the customers to get them faster through the customs, Vaisala, as a company cannot do this because it is against the law.

Mr. Lamminsalo also refers to second point about the fair competition of their market place and states that they treat their competitors with respect and even services their competitor's product if that is what the customer requires. Thus they respect fair competition on the market place. Generally in Vaisala's headquarters, Mr.

Lamminsalo sees that the code of conduct is put in practice effectively. He mentions the waste management system which is in use by the whole company as well as the usage of Internet in field service issues – the problems that customers around the world have, are tried to be solved remotely before actually flying over to another country.

As for the benefits of the code of conduct, Mr. Lamminsalo mentions the equal treatment of all customers as well as the fair play aspect mentioned in the code of conduct. The seventh aspect of the code of conduct of Vaisala talks about the encouraging of the employees and personal growth – Mr. Lamminsalo states that in his opinion, this particular aspect is fulfilled in the company. Vaisala offers social activities to its employees, i.e. language courses and sports teams which are executed during the working hours.

When it comes to development matters, Mr. Lamminsalo proposes that the code of conduct could be more visible throughout the company. The ten-aspect list could be printed and put on the walls of the company; the idea is linked to the same thought than what Mr. Rätty proposed.

4.5 Results from Production Development

The interviewee from the Production Development department was Mrs. Anni Torri who has worked for the company for ten years. She holds the position of a senior scientist at the product development department where she has worked for her entire career at Vaisala. In the beginning of the interview Mrs. Torri admits that she did not immediately know what was meant by the word code of conduct but after revising it she says that they are relatively familiar to her.

As Mrs. Torri works in core of the product development, she also works with poisonous liquids; therefore she states that the safety of the working conditions is the most important aspect in her department. By saying this, Mrs. Torri refers to the first aspect of the code which is about the respect towards the legislation and rules. Handling dangerous liquids or other materials requires high professionalism and following the regulations concerning them is vital.

The fourth point of the code of conduct says that the company treats its customers and suppliers fairly, about this Mrs. Torri gave an example of texts printed on the products. She says that everything they say about the products, are true and correct and that the texts are not printed on the products for marketing purposes but to guide customers.

Mrs. Torri is a bit skeptical whether the suppliers of the company know about the code of conduct and if they execute it. Her statement agrees with the study conducted by Béthoux et al. (2007) where it was studied that the code of conduct exists more for the employees and not so much for the customers and suppliers. Mrs. Torri says that possibly the code of conduct of Vaisala. are gone though when signing the contracts with suppliers but she concern about the implementation of the codes.

The importance of the code of conduct is visible in Mrs. Torri's answers; she says that customers expect that Vaisala. is responsible when it comes to environmental issues and that for the public image of the company, it is important that the code is executed by employees. Mrs. Torri suggests that the code of conduct could be more visible inside the company and that the ten aspects could be somehow unified or be divided into three larger topics which would be easier to remember.

4.6 Analysis of Interview Results

The results of this study are based on the five interviews made. Based on the information received from the interviewees, the conclusions are drawn. It should also be remembered that these five departments do not represent the company as a whole but it has several other departments such as finance, human resource management and communications, just to mention a few. The reasoning behind choosing these particular departments, are explained more in detail in chapter three about methodology.

All five interviews resulted with similar answers. It seems that the code of conduct is familiar to all departments and their representatives - even though all of them could not remember the codes without referring the company website. All of the answers indicate that no one could list all ten aspects of the code of conduct but most of them were still actively executing them. Many of the interviewees seem to be interested in environmental matters and execute them in an exemplary way.

Based on the results gained from the interviews, it seems that in Vaisala, the code of conduct is an important tool and not only executed for marketing purposes. Mostly it can be seen in the situations where the aim is to treat customers with greatest possible respect. Moreover, especially in situations where there are regulations and legislation involved, the employees follow the code of conduct for example in customs matter or when preparing a contract with customers or suppliers.

The employees feel that most of the points in the list are executed well, for example the seventh point (see appendix I) about personal growth is implemented in the sports clubs and languages courses which employees can attend on their work time. Mr. Lamminsalo says that it is important that the company cares about the employees

personally and offers them several ways to develop themselves and this way supports the personal growth.³⁶ The employees are also supported in their choice of changing position inside the company; this way Vaisala respects their employee's wishes when they are not fully satisfied with their current tasks and aims to find them more suitable position.

Comparing the results of this research to ones discussed in chapter two it can be drawn that the code of conduct truly guides the behavior of the employees (Fisher & Lovell; Béthoux et al.) but it also in this case it seems that it is not directed directly towards the suppliers (Kolk et al.) or to affect the customers or competitors. It was mentioned in the interviews that the suppliers might not be concretely aware of the code of conduct even though it is part of the aspect number five: We collaborate with subcontractors and suppliers that meet international standards in ethics and sustainable development.³⁷ It was not revealed in the interviews whether this aspect is fulfilled in the company.

Although there is evidence that Vaisala executes their code of conduct in the form of the Green Office program as well as in their interest towards the environment which is seen for example in their eco-friendly head office in Vantaa, Finland which is designed in the standards of LEED - Leadership in Energy and Environmental Design which is developed by U.S. Green Building Council³⁸. Florini (2003) discussed about the auditing of companies' ethical actions and about two types of execution of the codes, the second type requiring evidence about the execution, in Vaisala's case the norms required for the evidence are met. These matters also relate

³⁶ Interview with Mr. Veikko Lamminsalo, 14th May 2012

³⁷ Vaisala Home Page:

<http://www.vaisala.com/en/sustainability/responsiblevaisala/codeofconduct/Pages/default.aspx>

³⁸ Vaisala Home Page:

<http://www.vaisala.com/en/sustainability/environment/headoffice/Pages/default.aspx>

to Mijatovic & Stokic's (2009) study about the visibility of the code of conduct and about the need to back the code by other ethical actions. Vaisala's eco-friendly head office and the Green Office are good signs that their code of conduct is backed by other actions as well.

There is a study which combined studies made on the effectiveness of the codes of conduct (Kaptein & Schwartz), the results showed that in 35% of studies the code was effective – it seems that Vaisala is in this majority group as well. Also, the fact that Vaisala actually uses the code is the opposite of what the study by O'Dwyer and Madden researched, in their study it was stated that the code of conduct only exists because of it is fashionable but is not necessarily implemented actively. Referring to this study, O'Dwyer and Madden's claim is partly correct. Might be that one of the reasons behind the existence of Vaisala's code of conduct is because it is fashionable and many companies have them but seems that contrary to the earlier studies, the code is not completely a list of aspects that no one executes.

Based on this study, it cannot be stated that the code of conduct of the company would have an effect to Vaisala's competitive advantage on the market. Although it seems that the employees are aware of the code which is seen in their working activities when they face difficult situations or when they need some guidelines on how to behave or go on with challenging tasks. The employees implement the code on their regular activities without thinking about it much – for example when handling poisonous liquids, they implement the code and its point one and seven about following regulations and safe working environment. Employees implement the codes for themselves and that should be the aim of having a code of conduct – to support and help the employees in their work.

The research question considers if the code of conduct only exists for marketing purposes or if it is an important instrument for global company like Vaisala. Based on the interview results, it cannot be stated that Vaisala's code of conduct would only act as a marketing tool, surely, it is possibly used into that purpose as well but it truly is an important instrument for the company. This can be seen in the actions of the employees when they are in doubt how to continue and deal with problems. The reflections from the company's mission, vision and values (see appendix II and III) can be seen in the answers of the interviewees as well as in the code of conduct. Vaisala's values and their code of conduct support each other, where the values show what is important for the company; the code of conduct gives more practical advices and guidance on how to achieve and maintain them. The answers proved that the employees trust their employer and respect their values and codes because they believe in them and want to execute them in their own work.

The sub-questions for the research were as follows: "How does the implementing of the code of conduct vary by departments?" as well as "What changes could be done to the existing list of code of conduct?" The implementation of the code of conduct seems to vary by departments – in management department as well as in sales department the code of conduct is followed little stricter than in others because of the different customer orientation in these two departments than in others. This agrees with the statement made that the code of conduct is executed to guide employees which is what it does in Vaisala's case. It guides the employees in situations where they seem to be a bit lost, for example when preparing a contract with suppliers. Employees at Vaisala said that when in doubt, they refer back to the code of conduct to find a solution and to refresh their memory of what is considered correct in the

company. ³⁹Thus the varying of the code of conduct by departments mainly varies because of the different tasks that they have and the different customer orientation they have. For example, the instrument manufacturing is seldom directly in contact with the customers when again management and sales are quite customer orientated.

The conclusion of the results is drawn based on the literature available that the codes of conduct also exist because customers and suppliers require them but in this study it is proven that this is not always the case. The employees of Vaisala's are clearly motivated and have commitment towards ethical matters. Therefore it can be said that the null hypothesis presented in the beginning of the study is rejected. It cannot be said that the code of conduct is not actively put in practice in the company as the results prove the hypothesis wrong.

The changes that could be done for the code of conduct to be more efficient were related to its' visibility. The interviewees felt that it is not laid out enough but should be concretely more visible. Also, it was pointed out that the ten-aspect code could be shortened to have for example three main headings with sub-headings to make it more memorable.

³⁹ Interview with Mr. Ari Meskanen, 16th April 2012

5. CHAPTER 5 – Conclusions and Recommendations

5.1 Summary

This study researched the question: “Is the code of conduct a mere marketing tool or is it a necessary instrument for a global company like Vaisala?” The research was conducted by interviewing five representatives of the research company. All of the interviewees are from different departments because of the desire for variation for the research. The aim was also to investigate how much the results would vary by departments and in what kind of situation the employees use the code of conduct. The results are based on the answers gained from the interviews and are analyzed with the literature review conducted previously.

The study showed that there is difference when it comes to different departments. All of the interviewees agreed that the visibility of the code of conduct is fairly good and that it is implemented throughout the company. The employees working in management and sales had some variation in their answer because of the different customer orientation than the others. The more the employees work regularly with customers, it seems that the more important the code of conduct becomes. It is important to give the customers and suppliers the correct information about the company and its’ reputation. Also, when preparing contracts, for example, it is crucial that the company policy is followed.

It seems that the employees of Vaisala apply the first aspect of their code of conduct actively, which says: We comply with national laws and regulations⁴⁰. The results of the interviews also revealed the third aspect about the environment to be important:

⁴⁰ Vaisala Home Page:
<http://www.vaisala.com/en/sustainability/responsiblevaisala/codeofconduct/Pages/default.aspx>

We respect the environment and treat it with care⁴¹. Attention was also given to the aspects six and seven about safe working environment and personal growth. Based on the results, these were the particular aspects of the code seemed to be the most familiar for the interviewees and the most examples and detailed situations of use were gained from these aspects. The aspects about human rights, corruption and meeting the international standards in ethics and sustainable development were not brought up as much. It could be assumed that this is because of the general nature of the aspects, today it is expected that companies follow ethical behaviour, obey the law and pay attention to human rights. These aspects are not easily executed on an employee level alone.

The suggestions for changes which came up during the interviews concerned not so much the content of the code of conduct but how it could be better implemented and how it could be better brought into the attention of all employees. All interviewees agreed that the code is beneficial and that it is useable as it is already but maybe some reform could be done.

The limitation of the study is the fact that not every department could be interviewed. Also, in wider scope, it would be interesting to research, how the company's code of conduct is put in practice in their American or Chinese offices. Therefore for future research, similar studies would be interesting to execute in wider scope.

⁴¹ Vaisala Home Page:
<http://www.vaisala.com/en/sustainability/responsiblevaisala/codeofconduct/Pages/default.aspx>

5.2 Discussion

This research studies the code of conduct of a public Finnish company Vaisala. The research revealed the employees of the company are familiar with the ten-aspect list of codes and implement them quite well. The literature review studied for this research, have shown that the codes of conduct sometimes exist for marketing purposes and because of their trendiness, and not so much because of their usefulness.

Exactly similar studies about the topic are not easy to find – mostly the studies have been made by using questionnaires which does not necessarily give the correct results due to the fact that it is easier to misunderstand or give the answer too much in a rush when the respondent does not necessarily think the question deeply enough.

Vaisala's code of conduct consists of ten aspects with more detailed explanations below each of them. Therefore, for this study, the interviews are more suitable method than using questionnaires. Talking directly with the interviewees, all aspects of the code can be gone through more easily than how it would be done by questionnaire. For this research, discussing the code of conduct together with the interviewees is more efficient method than having the codes on paper in a form of questionnaire. Discussion gives the employees more time to come up with examples of the situations where they use the code.

The results prove that not every company has their codes of conduct only for marketing purposes⁴² or because their customers insist on them. This study shows that ethical, environmental and corporate responsibility matters are important for companies and they fulfill them.

⁴² Béthoux, Didry, Mias (2007), p. 78

The reflection between the literature review and the results is that the results are partly backed by the theory.

5.3 Recommendations

The recommendations for Vaisala are that they could make the company code of conduct more visible. Almost half of the population interviewed, said that it would be beneficial to have the code of conduct somewhere where it would be seen on daily basis. Therefore the recommendation is that Vaisala should print the list codes and hang them on the walls of the company facilities to better assure that they are actively executed.

It was also suggested in the interviews that the list of ten aspects in the code of conduct could be shorter or they could be summarized to make it easier for the employees to remember them. This is also something that could be improved from the point of view of the interviewees.

In the interviews an idea about refreshing the memory of the employees about the code of conduct came up – it could be brought up in a team evening gathering or team building day. The list of codes is not long and it is quite easy to follow therefore it would be good idea to make a part of recreational activities.

In addition, the company might want to form an auditing tool for the implementation of the code of conduct. Since the code is put in effect in 2008, there are many employees who have not necessarily introduced well to the code. Thus a regular auditing could be an idea to consider. There might be need for refreshing the memory of the employees regarding the code of conduct.

Vaisala might also want to invest in “International Transparency”⁴³ which relates to ethics and is an organization against corruption. Vaisala’s 10th aspect of the codes of conduct says that the company condemns all corruption. Membership to this organization can be bought to show that an individual or a company supports corruption-free world. As a reward companies can mention the membership on their website for example and get more visibility as a corruption-free organization and thus improve their image as a responsible company.

⁴³ International Transparency Home Page, <http://www.transparency.org/>

Glossary

Code of Conduct

Codes of conduct tend to be instructions, or sets of rules, concerning behavior. As a result they are likely to be reasonably prescriptive and proscriptive concerning particular aspects of employee behavior. They identify specific acts that must be either adhered to (prescription), or avoided (proscription). However, the extent to which all possible situations can be addressed within a code of conduct is problematic.⁴⁴

Code of Ethics

The code of ethics encourages employees to display particular characteristics such as loyalty, honesty, objectivity, probity and integrity.⁴⁵

Corporate Social Responsibility

Corporate social responsibility is a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups.⁴⁶

Green Office Program

Green Office is a practical environmental program that is easy to implement. Its aim is to reduce carbon dioxide emissions and offices' ecological footprint. Green Office is suited to offices – both large and small – in private companies, the public sector and other organizations. WWF awards the Green Office designation to offices fulfilling the criteria of the Green Office program.⁴⁷

Public Limited Company

The standard legal designation of a company which has offered shares to the general public and has limited liability. A Public Limited Company's stock can be acquired by anyone and holders are only limited to potentially lose the amount paid for the shares. It is a legal form more commonly used in the U.K. Two or more people are required to form such a company, assuming it has a lawful purpose.⁴⁸

⁴⁴ Fisher & Lovell (2003), p. 210

⁴⁵ Fisher & Lovell (2003), p. 210

⁴⁶ Investopedia: <http://www.investopedia.com/terms/c/corp-social-responsibility.asp#axzz1v3ePyPNg>

⁴⁷ WWF Finland: http://www2.wwf.fi/green_office/

⁴⁸ Investopedia: <http://www.investopedia.com/terms/p/plc.asp#axzz1v3ePyPNg>

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Appendixes

APPENDIX I

Vaisala's Code of conduct

1. We comply with national laws and regulations

Vaisala Oyj ("Vaisala") and its subsidiaries, offices and agencies will obey and abide by any national laws in their respective countries, whether Vaisala is stationed therein or doing business in that country. Vaisala respects local legislation and regulations, whether they are business related or other. Where differences exist between local laws, regulations, customs, norms or this code – Vaisala strives to apply which ever sets the highest standard.

2. We encourage fair and lively competition in the marketplace

Vaisala is a strong supporter of fair competition worldwide - irrespective of any national or international competition regulations. Vaisala does itself comply with any and all regulations concerning competition and encourages its competitors and associates to do the same. Healthy competition in the marketplace is necessary for the development of the whole industry, thus benefiting customers and shareholders.

3. We respect the environment and treat it with care

Vaisala takes environmental matters to heart and attends to them with care. Vaisala wants to be involved in establishing a sound foundation for better quality living, environmental protection and conservation, safety and productivity. Vaisala complies with generally accepted international environmental standards and often exceeds legal requirements. Vaisala strives to continually improve environmental performance of its products and is committed to reduce the company's impact on the environment. All employees are responsible for Vaisala's environmental performance.

4. We treat our suppliers and customers fairly

Vaisala strives for long term partnerships both with its suppliers as well as customers. We give our partners a good insight into our demand forecasting, constructive performance feedback as well as our support and help. We treat our suppliers and customers in a professional and ethical manner and follow through our obligations and agreements promptly. We want to share our success with our collaborators and create benefits for all parties.

5. We collaborate with subcontractors and suppliers that meet international standards in ethics and sustainable development

Vaisala pays special attention to the ethical and environmental issues when validating suppliers. We monitor and encourage our current suppliers to comply with the requirements of international human rights and environmental laws and practices.

6. We treat our employees with respect and guarantee a safe working environment

Vaisala's central value is 'fair play' which shows in all our undertakings, whether it is towards our staff, suppliers or our customers. Beyond this, Vaisala respects the employees' right to peaceful assembly, freedom of association, collective bargaining and a safe working environment. Vaisala does not accept any child, bonded or forced labor in any parts of its supply chain. Vaisala ensures that all of its safety measures are up to date and is committed to continuous improvement.

7. We encourage professional and personal growth of our employees

Vaisala invests continuously in the professional and personal learning and growth of its employees in order to realize their full potential. This is achieved by emphasizing on-the-job learning supported by internal and external personal development programs. Furthermore, Vaisala encourages its employees to actively manage their work-life balance as this has been recognized to improve work capacity and well-being at work.

8. We contribute to the communities we live in

Vaisala believes in a world where environmental observations improve daily life. As the global leader in environmental measurement and active member of society, Vaisala has a responsibility to act as a good corporate citizen. Vaisala's overall objective for Community Outreach is to support organizations and projects that advance environmental awareness and science education. All our outreach activities should be in line with Vaisala's values and resonate well with environmental issues such as climate, weather, environmental measurement, industrial impact and environmental sciences.

9. We respect human rights and we retain high moral standards in whatever we do

People should be treated equally and fairly irrespective of ethnic origin, nationality, ancestry, religion or creed, political views, gender, sexual orientation, marital status, medical condition, disability or age. Vaisala respects these rights and condemns discrimination and intolerance of all kinds.

Vaisala endorses the United Nations' Universal Declaration of Human Rights, The International Labour Organization's Declaration on Fundamental Principles and Rights at Work, The OECD Guidelines for Multinational Enterprises, and the Ten Principles of Global Compact. Furthermore, Vaisala recognizes the value of diversity, teamwork, fair compensation, innovation, health and safety at the work place, environmental awareness, and community involvement and strives to contribute in these fields for the benefit of the company and its stakeholders.

10. We condemn all corruption

Vaisala will neither accept nor tolerate any form of corruption. Vaisala has a strict anti- corruption policy which, if not followed, will result in disciplinary actions against its violator and any accomplices. Vaisala endorses the UN Global Compact and thus pledges to work against corruption in all its forms.

Employees must not use a contractor, agent, consultant or other third party to perform any act which conflicts with Vaisala's Code of conduct. We will seek to influence our suppliers and collaborators to adopt similar principles, if they do not already do so.

APPENDIX II

Vaisala's Mission and Vision

Mission

Our mission is to be the leading supplier of observation and measurement products and services for

- Meteorology and chosen weather related markets
- Chosen markets of controlled environment and industrial measurement

We achieve leadership by providing a comprehensive range of innovative products and services for each chosen segment with the right mix of performance, reliability and convenience to best fulfill the needs of the customers we serve.

Vision

We believe in a world where environmental observations improve daily life.

APPENDIX III

Vaisala's Values

Our way of operating is innovative and driven by the following six values. They are the basis of all our activities, both within Vaisala and with our partners and customers.

Customer focus

We seek out and solve customer problems. We want to be proactive with our customers, to understand their needs now and in the future, and to develop solutions for those needs. Our customer base covers the whole world.

Science-based innovation

Our approach to our customers' problems is systematic, and based on sound scientific knowledge. In our application of science, we favor creativity and innovation. Our focus is always on the high quality of our workmanship.

Goal orientation

We participate in the planning and setting of personal and Group-wide goals. Personal entrepreneurship, participation and commitment to shared goals are vital to our success.

Personal growth

We work in a knowledge-intensive business where the fastest learner thrives. To remain competitive, we commit to continuously improving our capabilities. Continuous learning benefits both ourselves and our organization. We contribute to an environment that provides the support, encouragement and motivation for each of us to reach our full potential.

Focus on greater good

We prioritize total optimization over suboptimization in our actions among ourselves and our customers. Our emphasis is on shared resources, group benefit and mutual cooperation.

Fair play

We demonstrate integrity in what we do. We only promise what we can deliver, and interact honestly among ourselves, our partners and customers. The confidence and trust we enjoy is valuable to us, and we do not want to risk it.

APPENDIX IV

Invitation E-mail for the interviewees

Subject: Request for an interview regarding Vaisala's code of conduct

Hi,

I am an undergraduate studying in Hogeschool InHolland in Amsterdam. I am currently writing my dissertation about Vaisala, topic being Vaisala's code of conduct and how it is put in practice in the company and its' different departments (service, sales, product development, manufacturing and management). I worked at Vaisala in the service department for nine months last year and I will be returning to the same position this summer after my graduation. I am studying to become Bachelor of business administration and the degree is a double-degree, accomplished in Metropolia Business School in Finland and here in Hogeschool InHolland here in the Netherlands.

It would be great if you could help me in my research in a form of an interview. The questions will relate to the topic - how the code of conduct is put in practice in your department? I will send the questions to you beforehand and the interview would be held by phone (Skype). The duration of the interview would be maximum 30 minutes and my plan is that the interviews would be held in the beginning of week 16.

My supervisor at Vaisala is Tomi Rintanen.

I am looking forward to your reply and I hope that you can help me with the research. I would appreciate if you could come back to me latest on the Wednesday the 11th April concerning the interviews.

Thank you in advance and wishing you a pleasant week!

Best regards,
Elina Raninen
[+358 44 501 4180](tel:+358445014180)

APPENDIX V

Interview Questions

- 1) What do you know about Vaisala's code of conduct?
- 2) How do you apply the code of conduct in your department?
- 3) How do you apply the code of conduct in your everyday working environment?
- 4) How do you feel that the code of conduct is put in practice in Vaisala generally?
- 5) What benefits you think can be gained from the code of conduct to your department and for the organization?
- 6) How the information about the code of conduct should be delivered to the employees/your department?
- 7) Are there any changes that should be done regarding the code of conduct or any development ideas?

APPENDIX VI

Table showing the findings of existing empirical studies into the effectiveness of business codes

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TABLE 1
Findings of existing empirical studies into the effectiveness of business codes

Type of relationship	Empirical Study
Significant positive relationship	Adams et al. (2001), Barnet et al. (1993), Beneish and Chatov (1993), Bowman (1981), Cassell et al. (1997), Chonko et al. (2003) Embse et al. (2004), Ferrell and Skinner (1988), Finegan and Theriault (1997), Hegarty and Sims (1979), Kaptein and Wempe (1998), McCabe et al. (1996), Nakano (1997), Nakano (1999), Peterson (2002), Pierce and Henry (1996; 2000), Rich et al. (1990), Sajhau (1998) Sims and Keon (1999), Singhapakdi and Vitell (1990), Stevens (1999), Touche Ross (1988), Treviño et al. (1998), Valentine and Barnett (2004), Valentine and Fleischman (2002), Weaver and Ferrell (1977), Weaver et al. (1999a).
Weak positive relationship	Badaracco and Webb (1995), Beets and Killough (1990), Bruce (1994), Dubinsky et al. (1992), Mathews (1987), Murphy et al. (1992), Peppas (2003), Schwartz (2001), Stevens et al. (2005), Stohs and Brannick (1999), Valentine and Barnett (2002), Weaver (1995), Weeks and Nantel (1992).
No significant relationship	Akaah and Riordan (1989), Allen and Davis (1993), Ashkanasy et al. (2000), Brief et al. (1996), Cabral-Cardoso (2004), Callan (1992), Chonko and Hunt (1985), Clark and Leonard (1998), Cowton and Thompson (2000), Diller (1999), Farrell et al. (2002), Ford et al. (1982), Harker and Harker (2000), Healy and Iles (2002), Hume et al. (1999), Hunt et al. (1984), Kohut and Corriher (1994), Marnburg (2000), Mathews (1987), McKendall et al. (2002), Montoya and Richard (1994), Ryan (1994), Sims and Brinkmann (2003), Snell and Herndon (2000), Stevens (2004), Treviño et al. (1999).
Mixed results	Adam and Rachman-Moore (2004), Brenner and Molander (1977), Higgs-Kleyn and Kapelianis (1999), Kitson (1996), Laczniak and Inderrieden (1987), Mathews (1987), Mitchell et al. (1996), Peppas (2003), Rodríguez-Garavito (2005), Singh (2006); Somers (2001).
Negative relationship	Ethics Resource Center (1994).

APPENDIX VII

IBMS Professional Competencies which are relevant to the research

Business Communication

During this research the communication with the company coach and the supervisor has been good. It is important in research like these, when there are companies involved, that the communication works well both ways. Mr. Tomi Rintanen in my research company has been very active in communication whenever I have had questions. Myself I have always asked and sent emails if there has been something problematic concerning the project.

In addition, the meetings and discussions that I have had with Mr. Rintanen and my supervisor Mrs. Jeannette van Geuns, have been very rewarding and constructive. The discussions have been interactive and supportive both ways.

Business Research Methods

The advisory report has taught me a lot about researching literature. Before this project I had very little experience of any kind of research but during the study, I really learned to enjoy the reading and browsing of relevant material. There are so many sources where to look for and most challenging part was to find and most importantly, to use, the most significant articles and books.

To be honest, I found the literature review to be my favorite part of the study. By accomplishing this study, I have proved that I am able to do good research and link it to certain topic and analyze these two afterwards.

Planning and Organizing

Planning and organizing is something that this study has required a lot, it is the base for any research and that was the case in my study, too. Without a good plan, a study like this can go horrible wrong. I started planning my topic very soon (approximately five months before starting to write the report) and also arranging meetings with my company coach. Planning these things early enough, gave me lots of time to think other relevant things regarding the research, e.g. the specific research questions and methodology. In addition, planning on my own schedule was important, for me knowing the days of the week when I will work on my report is very important – I can prepare and be ready to work hard when it is in my calendar early enough.

Learning and Self-Development

During the project of graduation I have learned a lot about myself. Writing a piece of work like this has been a great feeling for someone who has not ever done anything like this individually. It has been very rewarding to see that it is possible and it has definitely not been as complicated as I thought. Thus, I am proud of myself that I have been able to develop myself into the direction of a researcher. Personally, this report

has been a big and important part of my studies of four years. It is the final piece of work that I do and I am proud of how much effort and time I have put into it and how much I have grown during the project.

Ethical Responsibility

My research topic is strongly related to ethical matters concerning companies. I have studied lots of articles and books related to corporate social responsibility and generally in company ethics. I now better understand the relevance of ethical matter, although I have always considered them as important aspects for companies as well as for individuals. When it comes to companies and their ethics, it differs from individual and personal ethics. These days it is the public that requires the company to act ethical, not the company itself necessary.

I have also learned that ethics and ethical responsibility is a very complex part of the business, it also partly a challenge that can never been fully solved – this is why it is so interesting. People and companies will always have their own opinion of what is ethical and what not but it is interesting how much the opinion of these two parties can vary.