Designed to Fail? The Planned Obsolescence of Ethical Tools

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19.05.15
Version to be submitted

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Abstract

Despite evidence that highlights their limited influence on ethical behavior in the workplace, ethical tools remain surprisingly popular among Multinational Corporations (MNCs). This paper addresses this contradiction by studying how ethical tools may be undermined at an early stage of their development. We investigate the factors that explain the failure rather than the success of ethical tools and focus on their engineering rather than on their implementation. An inductive qualitative study of the development of sixteen ethical tools at four MNCs uncovered the phenomenon of ‘planned obsolescence of ethical tools.’ Our results clarify how factors such as blind isomorphism or organizational hypocrisy create a ‘meaningless form of compliance’ that guides the development of these tools and show how the cynical defeatism and feelings of uselessness of the managers in charge of designing ethical tools contribute to these tools’ ‘failure planned through design.’ As a whole, this paper contributes to the analysis of ethical tools by clarifying some of the factors contributing to their ineffectiveness, by showing the influence of their designers’ attitudes on their ineffectiveness, and by bridging the study of ethical tools with the organizational literature on hypocrisy.

Key-words: Code of conduct, Design, Ethical tools, Failure, Organizational hypocrisy
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“We want to be proud of Enron and to know that it enjoys a reputation for fairness and honesty and that it is respected. Gaining such respect is one aim of our advertising and public relations activities, but no matter how effective they may be, Enron’s reputation finally depends on its people, on you and me. Let’s keep that reputation high.”
Kenneth L. Lay, Chairman and Chief Executive Officer, July 1, 2000 in Enron ethics manual’s foreword.

Introduction

The words of Enron’s CEO illustrate the current skepticism about the regulative capacities of codes of conduct and other ‘formalized’ ethical tools.1 At the same time as they were being rewarded for the organization’s code of conduct, Enron’s executives were already taking advantage of their employees’ ‘life-savings’ (Sims and Brinkmann 2003). Since this scandal, numerous other cases of ethical tools’ failures in prominent Multinational Corporations (MNCs) have been reported (e.g., Shell in 2004; Siemens in 2006; BP in 2010). Despite their limitations, codes of conduct have continued to be widely adopted in MNCs headquartered in different cultural contexts (Bondy, Matten and Moon 2004; Preuss 2010). More generally, ethical tools are still regarded as an important first step towards corporate ethical commitment (O’Dwyer and Madden 2006; Treviño and Nelson 1995), if not as useful and relevant tools for regulating and managing corporate social responsibility (CSR) (Bondy, Matten and Moon 2008).

This paper focuses on the lasting contradiction between, on the one hand, the sustained diffusion and increased sophistication of ethical tools in MNCs, and, on the other hand, the accumulation of empirical evidence showing that these tools have not prevented ecological, financial and human rights scandals (Fleming and Jones 2013; Fleming, Roberts and Garsten 2013). Of course, ethical tools have been said to constitute a necessary rather than a sufficient condition of creating ethical awareness (O’Dwyer and Madden 2006; McDonald 1999;

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1 In this paper, we refer to codes of conduct and codes of ethics as specific sub-categories of the broader notion of ‘ethical tools’ which include any type of tools that aim at formalizing and regulating ethics in the workplace.
Treviño and Nelson 1995), and the business ethics literature gives a rather nuanced picture of their effectiveness (Kaptein 2014; Kaptein and Schwartz 2008; Romani and Szkudlarek 2014). Prior studies suggest that organizational cultures and ‘situational factors’ may undermine their regulative capacity (Sims and Brinkmann 2003; Weaver 2001; Zimbardo 2007), whereas others have argued that formalized ethical tools can be efficient only under certain circumstances (Molander 1987; Schwartz 2001; Weaver, Treviño and Cochran 1999), such as employee awareness of the content and purpose of ethical tools (Chonko, Wotruba and Loe 2003; Dean 1992; Sims 1991; Wotruba et al. 2001) or top management’s commitment to the values promoted by ethical tools (Weaver et al. 1999).

Missing from this research, however, is an analysis of the design of ethical tools as an important antecedent that could explain the ineffectiveness of ethical tools in their subsequent implementation. Most prior studies have focused on the implementation of ethical tools and hence overlooked the processes by which these tools are designed (Romani and Szkudlarek 2014). In so doing, these works neglect the possibility that the disparity between ethical tools and the MNC context (Brenner 1992, p. 398), as well as the lack of effectiveness of these tools (Erwin 2011), may result from factors inherent to their design rather than their implementation.

In this paper, we address this gap and suggest that the failure of ethical tools may largely result from the process whereby they have been designed in MNCs. In shifting attention from the receivers and users (usually employees and middle managers) onto the designers of ethical tools and the process of designing, we seek to clarify how some of the factors highlighted in prior studies might operate through the design of ethical tools rather than their adoption and to develop a new framework that can account for how MNCs set up the conditions for the failure of their ethical tools. Instead of focusing our empirical analysis on the positive outcomes of successful cases of ethical tool implementation, we analyze cases
recognized as *failures* by the promoters of these tools in order to deepen our understanding of the factors that prevent ethical tools from exercising their regulative function. Adopting ‘analytical induction’ as our research method (Bansal and Corley 2011; Gioia, Corley and Hamilton 2013), we explored 16 processes of ethical tool development at four Multinational Corporations (MNCs) involved in processes of ethical tools formalization.

Our findings suggest that a specific form of ‘isomorphism’ (DiMaggio & Powell 1983; Holder-Webb and Cohen 2012; Forster et al. 2009), which we termed ‘blind isomorphism,’ coupled with forms of ‘organizational hypocrisy’ (Brunsson 1989), intervene in the process of ethical tool design in ways that contribute to impede these tools from regulating employees’ behaviors or ethical decision-making by sustaining a ‘meaningless form of compliance.’ Our results also show how tensions between compliance officers and managers in charge of the design of ethical tools, together with these professionals’ negative attitudes such as a ‘feeling of uselessness’ and ‘cynical defeatism’, undermine these tools, triggering their ‘planned failure.’ As a whole, our results document a process whereby ethical tools are emptied of their moral and ethical substance and almost ‘nipped in the bud’; they point to a phenomenon of the ‘planned obsolescence’ of ethical tools.

In clarifying some of the factors that may impede the regulative role of ethical tools even before their implementation, our paper makes a threefold theoretical contribution. First, we uncover a neglected explanation for the lack of regulative power inherent in formal ethical tools: their almost ‘planned failure’ in their development process. In so doing, we enrich current theoretical and practical knowledge of the factors that prevent ethical tools from regulating ethical behavior in the workplace (e.g., Brenner 1992; Kaptein 2014; Kaptein and Schwartz 2008).

Second, our results confirm the importance of considering the early stage of the formalization process of ethical tools (Erwin 2011; Romani and Szkudlarek 2014), yet they
also stress the importance of individual and organizational factors in the engineering of ethical tools beyond the search for a new identity. In line with recent studies focused on the ‘professionals’ of CSR, climate change and ethics (Ghadiri, Gond and Brès 2015; Tams and Marshall 2011; Wright and Nyberg 2012), we show that more attention should be paid to the contradictory attitudes experienced by the managers in charge of developing ethical tools. Negative attitudes, such as cynicism and defeatism, contribute to the planned obsolescence of ethical tools, and tensions between compliance officers and managers undermine the efforts to promote effective ethical tools. Our findings thus contribute to uncover the emerging tensions between functional staff (e.g., HR managers, management controllers) and the new professionals of ethics or CSR (Gond, Igalens, Swaen and El-Akremi 2011).

Third and finally, our study contributes to advance research on formal ethical tools by cross-fertilizing this important area of study from the business ethics literature with insights from organizational theory (Brunsson 1989), which have stressed the potential role of organizational hypocrisy and isomorphism in the deployment of ethical programs.

Our paper is organized as follows. We first set the stage for our analysis by defining ethical tools, discussing their effectiveness and specifying our position in relation to prior research. We then present our approach to gathering and analyzing data and describe our findings. Finally, we discuss the managerial and theoretical implications of our study for the analysis of the effectiveness ethical tools, the professionals in charge of designing these tools and the literature on organizational hypocrisy.

**Explaining the Regulative Failure of Ethical Tools**

**Defining Ethical Tools**

Ethical tools are instruments typically aimed at shaping ethical behavior and ethical decision-making within organizations. In line with prior research on ‘ethical programs’ (Kaptein,
we broadly define ‘ethical tools’ as the set of devices aimed at formalizing and regulating ethics in the workplace. This definition of course encompasses the concept of the ‘business code’ defined by Kaptein and Schwartz (2008, p. 113) as “a distinct and formal document containing a set of prescriptions developed by and for a company to guide present and future behavior on multiple issues of at least its managers and employees toward one another, the company, external stakeholders and/or society in general.”

Like the notion of ‘ethics program’ (Kaptein 2009; 2014), our definition of ethical tools excludes by its construction the softer, implicit and informal modes of control of organizational culture or climate (Brenner 1992; Majluf and Navarette 2011). The set of ‘ethical tools’ includes potentially multiple components of ‘ethics programs’ beyond business codes that all share a formal and material dimension and are aimed at creating or regulating the ethical culture in the workplace. We noticed that most of the nine components of ethics programs distinguished by Kaptein (2014) refer to ethical tools: codes of conduct, communication of ethics, ethics report line, ethics hotlines, policies and rewards for ethical behaviors, or internal monitoring systems aiming at detecting unethical behaviors or enabling whistle-blowing.

However, the human and organizational elements of ethics programs (e.g., ethics officers or managers, compliance officers, ombudsmen) are not included in our definition of ethical tools, which focuses on the technical, or at least material, dimensions of ethics. Rather, we see the ‘professionals’ in charge of ethics and ethical programs as the primary designers, consumers and/or promoters of ethical tools.

The Limited Effectiveness of Ethical Tools

Although recent studies have considered multiple components of ethics programs and the influence of their combination and/or order of adoption on their capacity to influence
unethical behavior in the workplace (Kaptein 2014), the majority of prior studies of the effectiveness of ethical tools have focused on the specific case of codes of conduct (e.g., Somers 2001; Valentine and Barnett 2002; Weaver et al. 1999). Kaptein and Schwartz (2008, pp. 113-114) have identified 79 empirical studies analyzing the effectiveness of business codes; according to their review, “35% of these studies found that codes are effective, 16% have found that the relationship is weak, 33% have found that there is no significant relationship, and 14% have presented mixed results.” Although there is little evidence to back the idea that codes of conduct may undermine ethical behavior in the workplace (Kaptein and Schwartz 2008), the empirical evidence for the effectiveness of codes of conduct remains pretty thin.

As a whole, prior studies depict codes of conduct, as well as other ethical tools, as ‘necessary’ rather than ‘sufficient’ conditions to create ethical awareness within organizations (O’Dwyer and Madden 2006; McDonald 1999; Treviño and Nelson 1995). Prior studies have documented factors that explain the lack of regulative capacity of codes of conduct: the influence of organizational cultures that can undermine their regulative capacity (Sims and Brinkmann 2003; Weaver 2001); their ‘decoupled’ uses (Meyer and Rowan 1977), which turn them into mere window-dressing tools (Weaver et al. 1999; White and Montgommery 1980); the sometimes accusatory, threatening, or degrading nature of their wording (Raiborn and Payne 1990); their potential irrelevance to actual managerial contexts (Ladd 1985); or their inherently ‘counterproductive’ nature (Grundstein-Amado 2001).

Other scholars have argued that formalized ethical tools can be efficient only under certain circumstances (Molander 1987; Schwartz 2001; Weaver, Treviño & Cochran 1999). Prior studies have shown the importance of employees’ awareness of the content and purpose of ethical tools (Chonko, Wotruba and Loe 2003; Dean 1992; Sims 1991; Weaver et al. 1999; Wotruba et al. 2001), of top management’s commitment and the adoption of managerial
practices integrating the values promoted by ethical tools (Weaver et al. 1999), of specific individual characteristics (Hunt and Vitell 1986, 1993; Jones 1991; Wotruba 1990), and of factors inherent to the environmental and organizational context (Morris et al. 1996).

The limited effectiveness of ethical tools, combined with their worldwide adoption by MNCs (Bondy et al. 2004; 2008) and recurrent scandals in multiple industries (Sims and Brinkmann 2003; Spicer et al. 2014), has triggered repeated calls for a more thorough investigation of the factors explaining their success or failure (Weber and Wasieleski 2013). Kaptein’s recent study (2014) addressed this call and extends prior research by evaluating how multiple dimensions of ‘ethics programs’ (including ethical tools) influence unethical behavior in a large sample of firms. Kaptein’s (2014) findings suggest that the components of ethics programs should be analyzed in relation to each other to offer a more complex picture, as some components of ethics programs (e.g., ethics organization, presence of compliance officer) may undermine the effectiveness of others (e.g., code of conduct). One way to further investigate these interactions consists in focusing on specific ethical tools and analyzing them within their organizational context in order to clarify the factors that may limit their effectiveness. In this paper, we follow this route, yet we adopt a distinctive approach to analyze the drivers of the ineffectiveness of ethical tools.

An Alternative Perspective on the Limited Effectiveness of Ethical Tools

Most prior studies of ethical tools or ethical programs have tended to focus primarily on these tools’ effectiveness (Kaptein and Schwartz 2008) and assumed their pre-existence within the organizational context; they have therefore overlooked the work and roles of the professionals involved in their development (Romani and Szkudlarek 2014). In this paper we reconsider these three premises and provide an alternative perspective on the limited effectiveness of ethical tools. First, we make ethical tools’ ineffectiveness or their dysfunctional aspects our
primary focus of analysis because we see no reason to assume that the factors causing these tools’ effectiveness are the same as those that make them ineffective.

Second, in contrast with the vast majority of prior studies that assume the existence of ethical tools and investigate their impact or effectiveness at the implementation stage, we turn our attention to the relatively neglected early stages of ethical tool development. Erwin’s (2011) recent analysis of the influence of codes of conduct on ethical performance indeed suggests that these early stages may play a crucial role in the subsequent effectiveness of ethical tools, and Romani and Szkudlarek’s (2014) study of the development of professional codes shows the fruitfulness of focusing on the early period of ethical tool development.

Third and finally, to address the lack of analysis of the processes whereby ‘ethics are translated into material devices’ (Latour 1992), and in order to better understand where ethical tools are coming from, we focused on how professionals in charge of ethical tools at MNCs engineered, designed or imported these tools and followed the processes by which they were designed. In doing so, we could uncover the roles of the multiple professionals in charge of ethics as well as some important organizational factors that surround their work.

**Methods and Data**

**Context and Design**

An ‘exploratory’ qualitative approach was deemed appropriate as the processes of designing ethical tools have been largely overlooked in prior research (Yin 2013). As MNCs are described in the literature as heavy consumers of ethical tools (Bondy et al. 2004; 2008; Kaptein 2014) and have sufficient resources to engage in designing of specific tools, we focused on this organizational context. The lead author of this paper accessed four MNCs headquartered in France that were engaged, or about to start, processes of ethical tools formalization. This ‘multiple case study’ design (Yin 2013) allowed us to capture some
variance across organizational contexts while also documenting the multiple processes of formalization embedded within each organization. Across these four organizations, a total of 16 processes of ethical tool formalization were documented. Consistent with our definition, these ethical tools include the multiple material components of what Kaptein (2009, 2014) defined as an ‘ethical program’ (e.g., codes of conduct, self-training ethical manual, ethics lexicon). Table 1 provides the full list of the ethical tools we observed at the four MNCs.

![INSERT TABLE 1 ABOUT HERE]

**Data Collection**

In order to uncover the development process factors that influence the subsequent effectiveness of ethical tools, we combined several techniques of data gathering. The full list of data sources for each MNC is provided on Table 1.

*In-situ observation and participant observation*

The lead author of the paper carried out in-situ observations of meetings and brainstorming sessions for the preparation and design of ethical tools at three of the four MNCs under study. Through participant observation, she was also involved in the formalizing process of ethical tools at three MNCs and was thus continuously informed about the designing of the tools. Accordingly, this researcher acquired an insider’s knowledge of the issues underlying these tools’ development and became acquainted with most of the professionals in charge of ethics at three of the four MNCs. These lasting interactions helped her develop close relationships with the actors and to move beyond superficial accounts of ethical tools’ success to collect informal information about their actual lack of effectiveness.

The combination of observation techniques allowed both researchers to investigate the in vivo interactions of managers engaged in the design of ethical tools and to ask informal
questions about their activities and their points of view. Notes were taken and systematically transcribed, totaling about 100 hours of observation (see: Table 1).

**Interviews**

A total of 20 interviews with professionals in charge of developing ethical tools at the four MNCs were conducted to validate insights from our observations and deepen our understanding of the factors likely to affect the effectiveness of ethical tools. These interviews were semi-directed and were aimed at enabling a ‘conversation with purpose’ (Burgess 1984, p. 102) around the factors shaping the process of ethical tool development. The interviews covered topics related to the interviewee’s background and views on ethics and ethical tools, the specific processes of development under observation, and their explanations of the effectiveness (or lack of effectiveness) of these tools. Interviews were conducted face-to-face and lasted between 60 and 120 minutes. All interviews have been recorded and transcribed for analytical purposes.

**Secondary data**

Observation and interview data were complemented with secondary data, such as the ethical tools themselves as well as internal information and corporate video related to the tools under study. Through these, a rich database combining multiple sources of information for each process of ethical tool formalization could be constituted, permitting the enhancement of the reliability and validity of our interpretations (Yin 2013).

**Data Analysis**

Analytical induction (Bansal and Corley 2011) was adopted as the main data analysis strategy to develop a new framework explaining ethical failure from our data. We followed the well-
established template known as the ‘Gioia method’ (Gioia, Corley and Hamilton 2013). First, we engaged in open coding, which consisted of identifying relevant data concepts and grouping them into ‘first-order concepts’ (Van Maanen 1979), which are generalized statements that reflect ideas or opinions recurrently expressed by informants. For instance, we noticed that several actors reported the tendency of some managers engaged in the process of formalizing to reduce ethics to a pure form of compliance consisting of blindly following rules. Using our informants’ own wording, we formulated a first-order concept in which “ethics is just about compliance.” We compared data across informants to discern the main concepts of interest and create a first-order concept only if there was enough data from at least two cases of ethical tool development.

Second, a round of axial coding was performed (Strauss and Corbin 1998) by looking for relationships and deeper patterns among first-order concepts. To do so, these relationships were assembled into ‘second-order themes’ which allowed for a higher level of theoretical abstraction (Gioia et al. 1994). During this process, the two researchers discussed how to interpret the themes, moving back and forth between the literature and the empirical data. Through this inductive process, prior concepts related to institutional analysis (DiMaggio and Powell 1983; Meyer and Rowan 1977), organizational hypocrisy (Brunsson 1989) and the critical analysis of CSR (e.g., Banerjee 2008; Fleming and Jones 2013; Fleming et al. 2013) were found to be relevant to the interpretation of some of our themes. In the end, four themes were identified through this procedure: ‘blind isomorphism,’ ‘organizational hypocrisy,’ ‘lack of motivation and feeling of uselessness’ and ‘cynical defeatism.’

Third and finally, to define aggregate dimensions, we gathered second-order themes. These analytical steps consisted of examining first-order concepts and second-order themes and checking whether they could be refined into more simplified and general analysis. This step led to two aggregate dimensions: ‘meaningless compliance’ and ‘planned failure.’ These
aggregate constructs explain how the process of designing ethical tools contributes to their subsequent failure.

Figure 1 illustrates the data structure of our findings, from first-order concepts to aggregate dimensions. Figure 1 is not intended as a causal model but as a depiction of the main concepts and their relationships: arrows show which first-order concepts were assembled into second-order themes and which second-order themes were abstracted into aggregate dimensions. Table 2 provides illustrative data segments for each of the three aggregate constructs we identified. Our findings present these aggregate dimensions in greater detail as well as how they capture the planned obsolescence of ethical tools.

Findings: Uncovering the Planned Obsolescence of Ethical Tools

Meaningless Compliance

_Meaningless compliance_ emerged from our analysis as a first aggregate construct that corresponds to a focus on the compliance aspect of ethical tools through a progressive exclusion of alternative and richer views of what constitutes ethics. According to our findings, meaningless compliance encompasses two main dimensions: _blind isomorphism_ and _organizational hypocrisy_.

_Blind isomorphism_

Blind isomorphism reflects an indiscriminate reliance on extra-organizational ethical tools to nurture the internal process of ethical formalization, even though the imported tools are only loosely relevant to the organizational context. Although organizational isomorphism (DiMaggio and Powell 1983), amplified by practices such as benchmarking, is not necessarily problematic _per se_, the specific form of isomorphism we observed in the case of ethical tools
tended to create a mismatch between organizational needs and the ethical programs
developed, contrary to the perspective that “different corporations should have different ethics
programs” (Brenner 1992, p. 397).

‘Blind’ isomorphism relates in part to the intensive use of external consultants in
designing ethical tools. All the MNCs we observed rely on consulting firms specialized in
CSR or ethics to formalize their tools. As a consultant working with one of these MNCs
mentioned, consulting firms tend to sell almost the same tool to all their clients: “it’s the same
document, everywhere, they’re free to adapt it and make it work but it’s no longer my
business” (Michel G., Co-Founder & Associate of the consulting firm working with MNC 3,
Interview 9, notes from the off-record informal discussion post-interview).2 Here the main
problem is not really the reliance on external sources of expertise, but rather that the criteria
that drive the choice of external providers are more related to consultants’ fame and trends
(Abrahamson 1991) than to any specific internal needs. For example, managers from MNC 3
wanted to work with John Ruggie, who is an established and recognized specialist in Human
Rights, not because their organizations face human rights issues – as was the case of MNC 1 –
but mainly because he is “the one” that every firm currently wants to work with: “he is
trendy” (Interview 18). Although the choice of consulting firms partially relies on efficiency
criteria or internal needs, it remains strongly shaped by pre-existing relationships with
consultancies, leading to the recruiting of sometimes ‘loosely relevant’ consultants.

Because indeed, the choice was made to work with a practice that [MNC 4] knows well,
that the management knows well, that has already assisted us with other processes like it
over the years. And true, they’re not CSR experts… They’re communications people and
they’re not people who know the CSR field. So maybe, in the end, the fact of only being
assisted by a communications practice, we’ll end up communicating well, being well
organized, and maybe we’re risking not being in the crux of the matter, I don’t know.
(Corentin W. Project Manager for the Responsibility program, MNC 4, interview 13)

During meetings we observed that blind isomorphism is actively nurtured by the
managers in charge of designing ethical tools who constantly focus on what other companies

2 All the names used in this narrative and provided in Table 1 are pseudo.
are doing through their involvement in best-practices workshops and CSR related think-tanks. In our case, the MNCs under study joined French clubs such as *Le Cercle Éthique des Affaires* and were involved in business ethics forums to ‘share’ best practice. However, our findings suggest that they do not really feed these forums but rather rely on them to find new ideas or tools.

But it was me who formally initiated the process for the group, first as the “pilot fish” looking at the different phony reference tools that existed to see what was interesting for us, then meeting with consultants to have a somewhat more developed ideas about the most recent advances, the most relevant examples that could inspire us. (Robert M., Project Manager for the Responsibility program, MNC 4, Interview 14)

In these forums, numerous consultants promote their ethical tools, and managers from MNCs showcase their internal ethical tools and discuss their efficiency. An ethical tool that seems to work well at a well-established firm and accompanied with a convincing business case is very likely to be imported, whether or not it fits current processes of ethical tools formalization or the overall corporate strategy.

The managers we observed are all keen to keep the pace of innovation in the domain of ethical tools and are afraid of being seen as ‘outdated.’ As a result, they also increased the MNC’s blind isomorphism by collecting ethical tools from multiple forums and importing them, ultimately creating a sometimes problematic accumulation of ethical tools within the organization. As a result, the managers involved in the designing process inundate employees with a diversity of ethical tools and related information. For example, in MNC 2, during a three-month period of observation, not less than six new tools were created and launched through a validation process (a self-survey for ethics officers, a new code of conduct for specific countries, new training seminars adapted to the cultural context of North Africa, an ethical lexicon, an ethical triptych copied from another French MNC, a new device to facilitate discussions of sensitive ethical issues). This ‘garbage can’ process (Cohen, March
and Olsen 1972) consisting in throwing in ‘whatever may work’ in the organization was rationalized by one of our interviewees as follows:

Corporate ethics is a matter of communication, the more we do, the more they know. To do so, we need to use everything that exists, everything is good. This is why having different ways to communicate via different tools is the best thing to do. (Sabine N., VP Compliance, MNC 3, Interview 7)

Organizational hypocrisy

Beyond the outside-in dimension of blind isomorphism, we observed that meaningless compliance was also nurtured by the constitution of an intra-organizational context of hypocrisy, i.e. an organizational context in which the management’s talk and action appears to employees as largely disconnected from each other (Boiral 2007; Brunsson 1989). Although most of the professional managers we met at MNCs claimed to want to act in an ethical way, they often acknowledged their discomfort when confronted with some of the contradictions of their role.

If you have principles and they are not implemented, that’s where it’s not okay and that’s where you could be faulted. And that’s what a lot of NGOs reproach us for, especially businesses, is saying: “Yes, I adhere to the Universal Declaration of the Rights of Man, the ILO’s conditions... Yes, but concretely, what do you do? (Pascale S., Lawyer specialized in Human Rights, MNC 1, Interview 19)

Moreover, they sometimes trade more effective or radical ethical tools (e.g., whistle-blowing devices) for less relevant or softer ones (facilitation through discussion) in order to mitigate risks and simplify their work.

The aim is that they [the employees] go through facilitation rather than alerting; it’s easier for us to manage. (Christophe A. Co-Director for Ethics, MNC 2, off-record quote)

The managers in charge of ethics also acknowledge that a key function of the ethical tools they are developing is to attribute responsibility to employees or customers rather than to the management or to the corporation in the event of serious ethical issues.

We need to protect the corporate veil, if someone screwed up, we got to be able to prove that the decision was made independently (Valentine J., Legal Expert in Human Rights, MNC 1, Interview 3)
In addition, most of the people involved in the development of ethical tools whom we interviewed regard ethics as primarily an employee’s responsibility rather than management’s:

It’s all well and good to have a Code of conduct and this is nice to talk about it… but how to make sure it will be applied in the field? Because at the end of the day, we are not cops… the code should not be applied solely by us, but more importantly by each person individually. This is the individual responsibility of everyone in the corporation. (Bernard E., Ethics Director, MNC 1, Interview 2)

We also noticed that managers with a background in law, such as compliance officers, who were heavily involved in most ethics formalization processes at these MNCs, were sometimes overconfident in the power of rules to regulate behaviors: “The positioning they give us today is after, you respect the law and that’s that. That’s the message from the top.” (Sabine N., VP Compliance, MNC 3, Interview 5). For them, changing personal ethics is an impossible endeavor and certainly not an objective of the ethical tool. These ‘legalist’ managers hence tend to restrict organizational ethics to mere compliance, an approach that valorizes, even when it does not encourage, the idea of ‘blindly’ following rules:

… At the moment we said where we changed the rules and that we said now, the rule this is this, all the people are supposed to do it without asking question. Then, of course, in practice this does not happen like that… But it had to! (Guillaume M., Responsibility & Ethics Coordinator, MNC 3, quote from an informal discussion)

This form of organizational hypocrisy, inspired by an idealistic view on how law should work, contributes to the disconnection of ethical tools from actual managerial decision-making. This approach contributes to turning formalized ethics into a set of mere compliance tools that are aimed at attributing the responsibility for ethical failures onto employees. Together with blind isomorphism, this climate of organizational hypocrisy contributes to de-substantiate ethical tools from any moral content, turning them into vehicle for ‘meaningless compliance’ that exacerbates their subsequent failure.

Planned Failure
A second aggregate dimension that emerged from our analysis of the data corresponds to the almost deliberate planned failure of ethical tools that we documented through analysis of their design process (see: Figure 1). This aggregate dimension encompasses two faces: a form of **cynical defeatism** and **demotivation and a feeling of uselessness**.

*Cynical defeatism*

Managers involved in ethical tools formalization had mixed feelings about the use and purpose of ethical tools. Most of them, based on their experience, expressed the idea that ethics in the workplace is probably ‘unmanageable’ as no disciplinary device can fully regulate behavior: ‘the problem is that an ‘ethical GPS’ doesn’t exist. It would have been great but it doesn’t exist’ (Bernard E., Ethics Director, MNC 1, Interview 2). Similar feelings were shared by several members of the groups in charge of ethical tools development at the three other MNCs.

This feeling of unmanageability of ethics is accompanied by a feeling of the lack of employee and managerial involvement. At MNC 3, Guillaume M. and Hélène M. suggest they do not have time to support the processes of formalization and implementation: ‘[t]hey [the managers who are asked to implement the tool in their unit] are really annoying, they keep rescheduling the meeting, it has been months…’ (Guillaume M., Responsibility & Ethics Coordinator, note from informal discussions). At MNC 4, Robert M., project manager of the CSR and Ethics policy found it “depressing” to observe in the video recording of his presentation of the CSR and Ethics project that one participant was fully asleep while another was focused on his cell phone. During our observations, we documented numerous episodes of this kind. In general, designers of ethical tools d share the feeling that nobody cares about their tools and consider their job as more or less useless:

The employee… He listens for five minutes and then he is fed up with your video. (Valentine J., Legal Expert in Human Rights, MNC 1, Interview 3)
Demotivation and a feeling of uselessness

Beyond this defeatism, according to which the project of regulating ethics through tools is doomed, we identified a ‘feeling of uselessness’ that points to the competition between professional groups at most MNCs and the bureaucratic structure surrounding ethical tool ‘validation.’ Two groups of professional managers were always involved in the formalization of ethical tools: the ‘legalists,’ usually with a background in law (e.g., compliance officers); and other managers with backgrounds in sustainability, ethics, human resource management or general management. The competition between these groups generates a permanent tension as the ethical tools designed by the latter had to be validated by ethics committees in which the former are usually overrepresented. In these committees, defeating a tool designed by legalists appears as a great victory to non-legalist managers involved in the formalization process:

I’m so happy, their line [a tool designed to report a violation of the code of conduct] doesn’t work as well as they expected. An operational put them in a corner at the last seminar in Madrid. We were laughing with Margaux, I was so pleased. (Guillaume M., Responsibility & Ethics Coordinator, MNC 3, Notes from the observation of a meeting)

In parallel, the validation processes of ethical tools we studied were so long and complicated that they discouraged the design of sophisticated, tailored or innovative ethical tools. At most MNCs, this process takes place only once a year and is difficult to organize. The discouragement of a promoter of an ethical tool under development was clear: ‘if they [the legalists from the ethics committee] postpone the committee once more, I’ll quit the project’ (Hélène M., Ethics & Policies VP, MNC 3, Notes from a meeting observation). At MNC 4, one of the project managers, Robert M., had a moment of doubt about his project because the validation process was “too hard and complex.”

The ‘legalists,’ who also create ethical tools like ‘whistle-blowing systems’ or an ‘ethical hotline,’ regard legal compliance as the main criteria for the choice and promotion of ethical
tools through validation committees, whereas the other managers struggle to adapt the ethical tools to the cultural or organizational context to make them managerially relevant.

For me, CSR, sustainable development and ethics link themselves to each other, so there I don’t see any concerns. After that, it’s on the ways of approaching subjects where legal experts have a different approach than we do. But I think that confrontation is rich. I’m convinced that it brings something. So I don’t want to be right and them to be wrong or vice versa. I simply want us to continue to confront each other on a lot of subjects to advance our understanding. But yes, certainly, there are frictions, of course. (Hélène M., Herbaut, Ethics & Policies VP, MNC 3, Interview 8)

Overall, this tension participates in maintaining a feeling of bureaucratization and uselessness, and undermines the motivation of value-focused managers in the teams in charge of designing ethical tools. Ensuring that the ethical tools designed by members of the other group will subsequently fail becomes an important dimension of intergroup competition.

Together with the climate of cynical defeatism, this feeling of uselessness contributed to constitute the planned failure of ethical tools. As summarized in Figure 1, this dimension of the ‘planned failure of ethical tools’ together with ‘meaningless compliance’ constitute the two ingredients likely to explain the creation and diffusion of ethical tools with limited regulatory power at MNCs.

**Discussion and Implications**

We began this study by observing that ‘ethical tools’ have continued to multiply (Bondy et al. 2008) even while their efficiency is known to be limited, as they have not prevented major ethical and ecological scandals (Fleming and Jones 2013; Fleming et al. 2013). This exploratory research based on interviews and observations conducted at four MNCs revealed that ethical tools’ inefficiency can be partly explained by factors inherent to their design process, including the attitudes of designers themselves and the organizational dynamics surrounding their design.

In uncovering some of the factors that contribute to explain the lack of effectiveness of ethical tools, this study has important theoretical and practical implications for the analysis of
ethical tools, the role of designers of ethical tools and the ‘materialization’ of organizational hypocrisy at MNCs. We now discuss these implications in turn as well as the managerial implications of our study, its limitations and the prospects it opens for further research.

Other Factors behind the Ineffectiveness of Ethical Tools

Considerable literature has tried to identify the factors that drive ethical tools efficiency or inefficiency (Kaptein 2011; Kaptein and Schwartz 2009; Romani and Szkudlarek 2014). We contribute to this research by focusing on factors that have been to a large extent overlooked in these studies and that point to the process by which ethical tools are designed. Through our analysis, we uncovered the phenomenon of ‘planned obsolescence of ethical tools’ whereby the actors in charge of designing tools contribute to undermine their regulative capacity. We analytically induced a new framework that clarifies two main dimensions that explain how the process of designing ethical tools can potentially contribute to their failure (see Figure 1). A first dimension corresponds to the process by which the ethical substance of these tools is emptied through the ‘meaningless compliance’ nurtured by blind modes of isomorphism and organizational forms of hypocrisy. The second dimension reflects the organization of the design process and its links to designers’ cynical and defeatist attitudes. These last exacerbate the dysfunctional behaviors that undermine ethical tools, constituting their ‘planned failure.’

By identifying and specifying two dimensions underlying the planned obsolescence of ethical tools and bridging them in a coherent framework, our study usefully complements and extends prior analysis of the factors explaining ethical tools’ ineffectiveness or effectiveness in shedding light on the importance of the design process as a crucial step whereby tools can be tailored (or not) to fit the organizational contexts (Brenner 1992). In line with prior research, our results show that ethical tools such as codes of conduct can be regarded as increasing organizational hypocrisy (Brunsson 1989), not only in the eyes of employees
(Costas and Kärreman 2013; Fleming et al. 2013) but also in the eyes of the managers in charge of designing them. Although our findings confirm the role of isomorphism in the adoption of ethical tools (DiMaggio and Powell 1983; Husted and Allen 2010), they qualify the form of isomorphism at play by specifying its ‘blind’ nature, which makes it potentially dysfunctional from an ethical point of view. Experts in ethical tool design contribute here to de-substantiate organizational ethics by offering tools related to the formal aspects of ethics, hence enhancing a ‘value-inert culture’ that hardly challenges the status quo (Swanson 1999).

Our findings also reinforce the idea that the strong commitment of higher level executives and the appropriate organization of actors in charge of designing ethical tools – whether they be external affairs managers, ethics managers or compliance officers – are two ingredients essential to secure the design of efficient ethical tools (Swanson 1999; 2008; Weaver et al. 1999). Organizational choices related to ethical tools were reflected in our case contexts by the validation process, the composition of the teams in charge of designing tools, the decision of these teams to rely or not to rely on external support to design tools, and of course, the ultimate choices about the tool’s design. As suggested by Swanson (1999) and Weaver et al. (1999), executives and managers of ethics from the upper echelons shape these dimensions and can therefore play a major role in influencing the design of ethical tools and preventing their planned failure.

Although our theorizing focused on the material elements of ethics programs (Kaptein 2014), the framework we abstracted from our empirical context could be used to explore how other normative types of formal tools or practices, such as those of CSR, legal requirements or HR practices, can be de-substantiated from their values through their import into organizations. Future studies could use this framework as a template to investigate the processes by which CSR practices are imported in MNCs.
The Role of Ethical Tool Designers

A second implication of our study relates to the role of ethical tool ‘designers’ in the planned failure of ethical tools. Our findings shed light on the importance of considering the activities of the professionals in charge of designing and importing ethical tools in organizations to predict their potential ineffectiveness. In so doing, we contribute to the growing stream of studies analyzing the new professionals of ethics and CSR (Ghadiri et al. 2015; Tams and Marshall 2011; Wright and Nyberg 2012).

Romani and Szkudlarek (2014) have highlighted the importance of considering ‘identity’ and the professional context in which corporations operate to understanding the early stages of ethical tool design. Our findings extend this perspective by showing it is also necessary to consider the attitudes of professionals in charge of ethics. Wright and Nyberg’s (2012) study of climate change specialists stresses the importance of ‘positive emotions’ and ‘passion’ for the professional in charge of selling ‘climate change’ issues to other members of the organization. Our results extend their insight by showing that ‘negative’ attitudes such as defeatism or cynicism may undermine, and even sometimes even nip in the bud, the efforts of managers in charge of regulating ethics at organizations who push to import or develop useless or only loosely relevant ethical tools. This result suggests paying more attention to the negative attitudes, in addition to the emotions and ‘emotional work’ (Fineman 2000; Hochschild, 1979) of ethics and CSR professionals in future studies. In addition, we show that conflicts between legalist and non-legalist managers potentially contribute to ethical tools’ ineffectiveness. This result has important implications for the organization of managerial teams in charge of designing or promoting ethical tools in organizations.

Ethical Tools as ‘Materialized Organizational Hypocrisy’
The research on codes of conduct suggest that the ‘design’ of ethical tools is essential (Kaptein 2009; 2011; 2014; Kaptein and Schwartz 2008) as these tools have to be tailored to their organizational context to be effective (Brenner 1992). Yet, numerous studies have identified a problematic gap between managers’ words and actions in relation to how ethics, CSR or moral values are performed within organizations (Weaver et al. 1999; White and Montgommery 1980). This points to the phenomenon of ‘organizational hypocrisy’ (Brunsson 1989; Fleming et al. 2013).

Our study contributes to this line of analysis in two ways. First, our findings suggest that the emergence of ‘ill-designed’ tools loosely relevant to their organizational context is nurtured by forms of organizational hypocrisy that inform the work of the managers in charge of designing ethical tools (see: Figure 1). The reduction of ethics to mere compliance, its use in attributing responsibility for ethical failures to employees rather than executives or top managers and the frequent observations of gaps between managers’ talk and action constitute a climate of organizational hypocrisy that contributes to de-substantiate the understandings and perceptions of compliance from the tool’s actual ethical content.

Second, beyond clarifying some potential antecedents of organizational hypocrisy in the domain of ethics, our analysis suggests a recursive process by which organizational hypocrisy sustains itself through its materialization in irrelevant ethical tools that contribute to increase meaningless compliance, supporting managers’ and employees’ perceptions of organizational hypocrisy.

As a whole, our study suggests that more attention should be paid to the role of material artifacts such as ethical tools in the materialization of ceremonial and ritual forms of ethics. Latour (1992) famously suggested that the ‘missing masses’ of the social sciences could be embedded within material artifacts usually overlooked by researchers and convincingly argued that ‘ethics’ could be incorporated within devices, this forcing human beings to behave
in a responsible manner. Our study suggests that materialized forms of ethics may also play a counter-productive role by formalizing and self-sustaining organizational hypocrisy. Future research could further document the role of tools and material artifacts in the constitution of organizational hypocrisy.

Practical Implications
For managers, the question of ethical tools has moved from whether to adopt them to how to implement and design them (Erwin 2011; Kaptein 2014), and, as we suggested, who should design them. This study has addressed the latter questions by focusing on the early stages of ethical tool development and we have identified the design process of ethical tools as a crucial factor explaining their subsequent effectiveness. The conclusions of our study confirm prior insights that suggest that ethical programs should be designed in a manner which is consistent with, and tailored to, each corporate culture and each corporation’s needs and strategy (Brenner 1992; Kaptein 2014; Kaptein and Schwartz 2008). And yet, several aspects of the 16 design processes we documented at four MNCs significantly depart from this ideal approach. First, in all cases, the validation processes were heavy and discouraging. Even when designers had ‘good’ intentions for the ethical tools, they struggled to make them acceptable in the eyes of compliance officers who focused on keeping risk at a minimal level. As a whole, our findings highlight that compliance officers and other ‘legalist’ managers were usually more focused on compliance than on the performance of moral values, an attitude that discouraged the diffusion and embedding of ethical values in the organization (Swanson 1999; Weaver et al. 1999). Ethical tool designers could hardly be blamed for their cynical defeatism, as the legal and practical framework within which they operate shape to large extent their capacity to design effective tools. That framework was sometimes so narrow that designers perceive and genuinely admit to the subsequent inefficacy – and sometimes even the counter-
productivity – of the tools they designed. Our study thus suggests that executives should pay more attention to the training and motivation of professionals in charge of the design and deployment of ethical tools, as their lack of involvement may undermine the regulation of ethics.

In sum, our study shows that the process of ethical tool design works ‘as a whole’ and that no part of it can be neglected. Companies in general and MNCs in particular, as the latter have higher ethical risks due to their operations in sensitive contexts, should not overlook the design of ethical tools, and should focus attention on the training and awareness of the professionals in charge of designing these tools.

Limitations and Further Research
As with any study, our exploratory qualitative research presents some limitations that could open up avenues for future research. First, as our focus was on the early stages of ethical tool development, we did not consider in depth how these steps can influence the subsequent stages of the uses and deployment of ethical tools, yet recent studies suggest that the stages of ethical tool development may interact in ways that influence their effectiveness (Erwin 2011; Kaptein 2014). Our findings lead the way to additional studies that could examine how the factors we highlighted in the early stages of the development of ethical tools may cascade through the implementation process to influence their ultimate effectiveness.

A second limitation of our study relates to its exploratory nature and our focus on MNCs in analytically inducing our framework. More research is needed beyond our 4 MNC cases in order to validate our framework and it would be interesting to evaluate whether our framework also applies to smaller companies. Likewise, further research could use our framework as a template to analyze other types of tools.
Finally, our findings focus on the role of ethical tool design and designers yet neglected to evaluate more broadly how employees perceive ethics at their workplace. Future studies could quantitatively operationalize the dimensions of ethical tools’ ‘planned obsolescence’ at the managerial or organizational-unit level and evaluate whether they correlate with employee perceptions of the ethical climate (Cullen, Victor and Bronson 1993) or corporate stakeholder responsibility (El-Akremi, Gond, Swaen, De Roeck & Igalens 2015).
References


Table 1. Overview of the Research Design and Main Sources of Information

<table>
<thead>
<tr>
<th>Interview Number</th>
<th>First name (Pseudonym)</th>
<th>Position</th>
<th>Recording / Notes*</th>
<th>Length</th>
<th>Hours of observation</th>
<th>Secondary Documents</th>
<th>Processes of Ethical Tools Formalization observed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Joseph P.</td>
<td>Ethics Director</td>
<td>Recorded</td>
<td>37</td>
<td></td>
<td>• Draft of the Human Rights Guideline</td>
<td>• Human Rights Guidelines</td>
</tr>
<tr>
<td>2</td>
<td>Bernard E.</td>
<td>Ethics Director</td>
<td>Recorded</td>
<td>72</td>
<td></td>
<td>• Sales Convention</td>
<td>• Whistle-blowing procedure</td>
</tr>
<tr>
<td>3</td>
<td>Valentine J.</td>
<td>Legal Expert in Human Rights</td>
<td>Recorded</td>
<td>37</td>
<td></td>
<td>• Code of conduct</td>
<td>• Code of conduct</td>
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<tr>
<td>19</td>
<td>Pascale S.</td>
<td>Legal Expert in Human Rights</td>
<td>Recorded</td>
<td>56</td>
<td></td>
<td>* Some interviews were not recorded for technical reasons.</td>
<td>* Self-training video</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Awareness seminars</td>
<td>* Awareness seminars</td>
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<tr>
<td></td>
<td><strong>Total MNC 1</strong></td>
<td></td>
<td></td>
<td><strong>3h20</strong></td>
<td></td>
<td>• Internal e-mails</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Ethical guidelines (draft and revised versions)</td>
<td>• Revised ethical guidelines</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Discussion</td>
<td>• Revised awareness seminar</td>
</tr>
<tr>
<td></td>
<td><strong>Total MNC 2</strong></td>
<td></td>
<td></td>
<td><strong>3h52</strong></td>
<td><strong>17h</strong></td>
<td>• Draft versions of tools</td>
<td>• Self-administered survey</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Slides for awareness seminar</td>
<td>• Ethical lexicon</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total MNC 3</strong></td>
<td>• Facilitation</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>9h13</strong></td>
<td><strong>40h</strong></td>
<td>• Whistle-blowing procedure</td>
<td>• Training process and documents</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total MNC 4</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ALL MNCs</strong></td>
<td></td>
<td></td>
<td><strong>23h17</strong></td>
<td><strong>97h</strong></td>
<td><strong>12 sources</strong></td>
<td><strong>16 processes / tools</strong></td>
</tr>
</tbody>
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* Some interviews were not recorded for technical reasons.
## Table 2. Illustrations of Coding for Meaningless Compliance

<table>
<thead>
<tr>
<th>1st Order Concept</th>
<th>Illustrative quotes and/or observations from the data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BLIND ISOMORPHISM</strong></td>
<td></td>
</tr>
<tr>
<td>Over-reliance on external support for the design of ethical tools</td>
<td>The 4 MNCs were supported by at least one and usually several external consulting firms not always expert in ethics or CSR (Notes from observation) They’re the part that we’ll call a bit more institutional: to participate, to get closer to NGOs or to institutional work groups in the Global Compact (…) We’ve just registered in the Cercle éthique d’affaires [Business Ethics Club], at any rate, there it’s really… a bit more open to the outside, at the same time, in fact, already, to create networks in the… in that sector where [MNC 3] is very little present in that activity… So again, to also do a bit of promotion of the program outside, to create networks and see also, try to obtain, to share a bit with others, see what good’s being done because, well, these positions are fairly recent at [MNC 3]. (Guillaume M., Responsibility and Ethics Coordinator, MNC 3, Interview 10)</td>
</tr>
<tr>
<td>Replication of ethical tools from other corporations</td>
<td>Copying best practices seen at forums or clubs [Synthetic notes from observations at MNC 2 and 4] 4 out of 7 processes documented in MNC 2 were copied/inspired from other companies [Notes from observations at MNC 2] We also have benchmarking activities, so comparisons with what our competitors do, in the spirit of sharing our good practices, to improve ourselves. So we meet with either other oil companies in the clubs for sharing good practices, for example Ipieca for oil companies, who are focusing, who send experts only on social and environmental subjects, and we have, for example, a task force on the Rights of Man that I co-chair with other oil companies. There’s Shell, Exxon, a lot of oil companies share with each other in this club. This club’s been around for some time, it’s not at all a lobbying club, you’ve understood, it’s really a club for sharing good practices between experts. (Valentine J., Legal Expert in Human Rights, MNC 1, Interview 3)</td>
</tr>
<tr>
<td>Irrational accumulation of ethical tools</td>
<td>Yes, you have to remember the references, yes [the references of all the existing ethical tools that should appear on the ethical triptych, a kind of a small card that managers could keep into their wallet]. I’d even put fewer on it than that but you obviously have to remember that there’s an ethical charter, that there are codes of conduct, that there’s a guidebook and a glossary, you know. (Christophe A., Ethics Co-Director, MNC 2, Interview 11) … [about the multiplication of ethical tools:] we create a permanent fuzziness and this fuzziness is perceived by people, by stakeholders as fuzzy because we can’t get any weaker, truth be told. They’re these things [ethical tools] put on top of each other but going in every direction, no one knows how it works together, no one can explain what it’s used for. We ourselves often have difficulty presenting it.</td>
</tr>
<tr>
<td><strong>ORGANIZATIONAL HYPOCRISY</strong></td>
<td></td>
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<tr>
<td>Saying one thing and doing the opposite</td>
<td>But in the end… we make more money by destroying our suppliers, or by throwing a wrench into their work. So, on that, it’s… it’s part of the contradictions, at the same time a contradiction of conversation and intention and an basic operational contradiction about how we make money. I could keep going. (Robert M., Project Manager for the Responsibility program, MNC 4, Interview 12) Prefer one type of tool over another because it does not imply working with HR, too concerned with employees (MNC 2, meeting observation)</td>
</tr>
<tr>
<td>Ethics is just about compliance</td>
<td>The ethics guy, he comes… the ethics department before was the boeuf-carrotte [“beef-carrots” a pejorative nickname for the internal police] of the SNCF [the French national railway service]. They transformed themselves into an ethics department. Most of the time they make investigations into sexual harassment or accounting fraud. They check who’s at fault. (Michel G., Co-Founder &amp; Associate of the consulting firm working with MNC 3, Interview 9)</td>
</tr>
<tr>
<td>Ethics is about attributing responsibility (for ethical failure) to employees or clients</td>
<td>One of the possible answers is to say, have your client directly sign the ethical contract, etc. It’s a SNAFU, it’s him who takes it all in the face and it’s not you. There you go. It’s nasty but when you have compliance departments… That’s compliance reasoning. It’s protecting yourself legally. And they don’t work on the culture. All the ethics and compliance departments, generally, they don’t work on the culture. (Michel G., Co-Founder &amp; Associate of the consulting firm working with MNC 3, Interview 9) The ideal would be… the ideal ideal would be that there would be no need for [such a] program. The ideal ideal would be that from recruitment on, in fact, we make sure, well, from recruitment, well, I don’t know what method this could happen through, but we make sure that we hire people in whom we can have complete confidence that they’ll respect everything that has been signed by the company, the global compact, the charter of the rights of man, the ILO, etc. (Guillaume M., Responsibility and Ethics Coordinator, MNC 3, Interview 10)</td>
</tr>
<tr>
<td>1st Order Concept</td>
<td>Illustrative quotes and/or observations from the data</td>
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<tr>
<td><strong>CYNICAL DEFEATISM</strong></td>
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<tr>
<td>Perceived ‘unmanageability’ of ethics</td>
<td>Because it’s human, it’s not automatic, hey? It’s not a technical quiz-game: A, I turn to the left; B, I go right, sort of thing. (Farid N., Facilitator, MNC 2, Interview 11) A gift! How do you have a global policy on gifts, you know. In France, one Euro is a gift. In the middle east, a Rolex is small potatoes … At some point, you can’t regulate everything either. […] But yes, we see it, we have a hard time approving a number of global policies, like on gifts for example. (Hélène M., Ethics &amp; Policies VP, MNC 3, Interview 8) So that, it’s a big challenge for us, all these regulation initiatives. There’s always the problems in countries with weak governance where it’s complicated for us, because they ask us to apply standards in countries where it’s very complicated to apply them. They don’t themselves respect them so implementing them isn’t always obvious. (Pascale S. Legal Expert in Human Rights, MNC 1, Interview 19)</td>
</tr>
<tr>
<td>Perception of a lack of implication from employees</td>
<td>Yes. Then, they still have the impression that in headquarters, no one knows the field, so that’s that. Farid N., Facilitator, MNC 2, Interview 11) It’s that also, you have personalities, you have people who block because they’re busy, because they have other goals… They’re local problems in fact. You’re managing personalities. (Sabine N., VP Compliance, MNC 3, Interview 5) It’s not enough to say that it’s the rule […] No, it’s like kids. A company is like company of kids. And what’s more, the bigger the company, the more people flee responsibility. (Michel G., Co-Founder &amp; Associate of the consulting firm working with MNC 3, Interview 9) The most major difficulty we had was really to mobilize people around this issue and to make sure that they do the steps every time. So me, as the project manager, 80% of my work was to go have coffees with them. (Martin R, Compliance &amp; Responsibility Project Manager MNC 3, Interview 5)</td>
</tr>
<tr>
<td><strong>FEELING OF USELESSNESS AND DEMOTIVATION</strong></td>
<td></td>
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<tr>
<td>Bureaucratic burden of validation</td>
<td>The Ethics Committee has to validate every tool before its implementation. Takes place twice a year in the best case scenario, and tends to slow down the process of ethical tool development (All MNCs, notes from observation) So it’s far from perfect because actually it takes a long time [to validate a tool]… and despite all that it remains fairly generic so we’ll take into account the difficulties that we’ve stated, it rests on the consensus, which has been validated and amended by all the management, of the safety department, HR, purchasing, etc. (Valentine J., Legal Expert in Human Rights, MNC 1, Interview 3)</td>
</tr>
<tr>
<td>Destructive competition between legalists and non-legalists</td>
<td>If we have to wait for law and the legal, not only would we be late, even later than we are right now; but on top of that, we would not have that change in perception, of vision, to which I aspire, because it will always be experienced as a constraint and not as an opportunity, a way of taking hold of our future and our fate… we also depend on our consultants to direct us, but we mainly don’t want the law to dictate this process. We really want it to be an in-depth process that makes sense and has added value and not… that’s not a compliance effort. (Robert M., Project Manager for the Responsibility program, MNC 4, Interview 14) In fact, it’s an idea very particular to [MNC 3], to say that, on the one hand, there’s sustainable development with its values, the message, the good talk, prevention, etc, and the legal management as the coercive side, of penalties, formalization, etc, tools. In fact, there are those in the philosophy and those in the operational. (Sabine N., VP Compliance, MNC 3, Interview 7) … the legal experts? Yes, we’ll have them negotiate with the guy in Saudi Arabia, we’ll laugh. Oh but yeah, if we say no to him, we lose an 8 million euro contract. Ok, so what do we do? Well she [Sabine N., VP Compliance, MNC 3] is less of a smart alec. (Michel G., Co-Founder &amp; Associate of the consulting firm working with MNC 3, Interview 9)</td>
</tr>
</tbody>
</table>
Figure 1: Data Structure for the Planned Obsolescence of Ethical Tools

<table>
<thead>
<tr>
<th>First-Order Codes</th>
<th>Second-Order Themes</th>
<th>Aggregate Dimensions</th>
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</thead>
<tbody>
<tr>
<td>Over-reliance on external support for the design of ethical tools</td>
<td>Blind isomorphism</td>
<td>MEANINGLESS COMPLIANCE</td>
</tr>
<tr>
<td>Replication of ethical tools from other companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrational accumulation of ethical tools</td>
<td>Organizational hypocrisy</td>
<td></td>
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<tr>
<td>Saying one thing and doing the opposite</td>
<td></td>
<td></td>
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<tr>
<td>Ethics is just about compliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethics is about attributing responsibility (for failure) to employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived ‘unmanageability’ of ethics</td>
<td>Cynical defeatism</td>
<td>PLANNED FAILURE</td>
</tr>
<tr>
<td>Lack of implication from employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureaucratic burden of validation</td>
<td>Feeling of uselessness and demotivation</td>
<td></td>
</tr>
<tr>
<td>Destructive competition between legalists and non-legalists</td>
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