

**ANALYSING THE USE OF COMPLIANCE AS A TOOL FOR IMPROVING THE
ETHICAL PERFORMANCE OF COMPANIES**

Acknowledgements

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Abstract

Purpose: This research study is organised and conducted to execute the purpose of determining the values of compliance in regard to improvise the ethical performance of the organisations.

Methodology: For carrying out this study in an efficient manner, an interview process with 10 experts from the financial industry has been conducted. For analysis of the data, as per research-oriented objectives, thematic analysis has been organised and carried out.

Findings: It is found based on the study data that compliance holds huge value and importance in terms of maintaining ethical values, the integrity of business procedures and honesty in dealing with the clients. In this way, the overall ethical performance of the business gets improvised.

Recommendations: In order to improve the compliance levels as well as the ethical performance of the businesses, it is suggested to the managers to implement the strategies for evaluating the misappropriation of funds and apply a Reference Architecture for employing the compliance policies at correct areas in the organisation.

Keywords: Compliance, Policy, Tool, Ethics, Ethical Performance, Legal

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Chapter 1: Introduction

Various businesses may find it highly typical for meeting their overall compliance needs. However, any organisation should conduct its overall business practices as per the crucial rules, regulations, and laws while meeting the compliance requirements. Therefore, meeting legal liabilities for protecting the welfare, health, and safety of organisational staff is important for businesses. Moreover, failing for maintaining such standards framed by the rules and laws could lead the businesses to face various issues in the market including ethical issues (Fernández and Fernández, 2019). Therefore, in this context, the presented research project will try to solve the question that whether compliance could be an adequate tool for improving the overall ethical performance of organisations worldwide. Moreover, the research study also includes the research aim and objectives, rationale, and research question based on which the overall research study will be conducted.

1.1 Background

A good ethical performance or integrity in organisations supports an extensive level of collaboration among the stakeholders which directly positively influences the overall performance and success of the business in the market. Ethics in organisations is associated with rules or norms which are required to be followed for maintaining an adequate standard of operations and activities. Moreover, workers, consumers, suppliers, and various other related stakeholders are required to follow the compliance norms and regulations for an effective flow of work within the organisation (Thomson, Torenvlied and Judge, 2020). For example, the Bank of Ireland takes into consideration adequate ethical norms or rules for handling its customer and operations adequately (Bank of Ireland, 2022). Therefore, the presented research study will support in evaluating the overall impact of compliance of the ethical performance of the organisation in a larger context.

1.2 Aims and Objectives

For investigation of the techniques or tools related with compliance and their overall efficacy in decreasing the ethical deficits, it is essential to frame the aims and objectives of the proposed research project. Moreover, the inclusion of aims and objectives would assist in bringing out the primary purpose of the proposed research project. However, one of the primary issues that every organisation faces is operating the

organisation in an ethical manner (Waweru and Prot, 2018). In the challenging business conditions, the overall ethicality of the organisation losses its complete severity due to which shortcomings or deficits in operation become visible. Therefore, in this context of overall understanding of the way compliance could be used as the framework in order to decrease the ethical deficit, the aim and objectives of the presented research are as follows:-

Aim

The main aim of the research project is to analyse whether compliance is the ideal tool to improve the ethical performance of organisations.

Objectives

- To find out the concept of compliance and ethical performance
- To identify the different factors that lead to compliance as an effective tool
- To reflect the impact compliance on employee health and safety in an organisation
- To assess the effectiveness of compliance as a tool in improving the ethical performance of firms

1.3 Research Question

Therefore, on the basis of the above-mentioned aim and objectives of the proposed research project and the influx of the detection of the subject area, the mentioned research question would be considered is “How compliance as a tool will help to improve the ethical performance of companies?”

1.4 Hypothesis

The research hypothesis could be understood as the particular statement which assumes the direction as well as nature of the overall research project outcomes. A research hypothesis could be complex and simple but it requires being easily understandable for the potential audience. Moreover, a hypothesis generally shows the precise connection between the two or more than two readers. It could show the relationship or the influx of the distinct variables which might be liable for testing the overall validity of the presented research. In this connection, the hypotheses of the proposed research project are:

- H1: Compliance has a positive impact on employee health and safety in an organisation.
- H2: Compliance positively impacts the ethical performance of organisations.

1.5 Rationale

The presented research will target detecting the elements associated with compliance that assist the performance of the companies. Moreover, it is highly critical to understand the overall role of compliance in the employee's improvement and security in the organisations. Thus, the reason for the presented research study is to assist the organisation to follow adequate compliance tools for maintaining the overall ethical performance. In addition to this, there is a lack of adequate literature on the compliance and its impact especially on employee's well being and security in the organisation. The research will also fill this gap.

1.6 Organisation of the Research

Chapter 1: Introduction and Background

This will be the first chapter in the proposed research study. This chapter will include background information about the research area and will showcase the aim and objectives of the proposed research. Further, the first chapter shows the overall research question that the presented research study is trying to resolve.

Chapter 2: Literature Review

This will be the second chapter in the presented research study. This chapter will include a literature review of related journals and articles to offer an overview of the terminologies associated with the research context and their relation with each other. Moreover, this section will highlight background information of various key concepts and terminologies.

Chapter 3: Research Methodology

This will be the third chapter in the presented research study. This chapter will include the overall research method and approach undertaken to answer the research question. In addition, the section will also include research philosophy, data collection, data analysis, and ethical consideration of the overall research.

Chapter 4: Data collection/Findings/Analysis

This will be the fourth chapter of the presented research study. This section will integrate data collected from secondary as well as primary data sources and analyse them effectively.. Chapter 5: Discussion: This chapter reflects the overall discussion of

the findings related to the way compliance as a tool will help to improve the ethical performance of companies.

Chapter 5: Conclusion and Recommendations

This will be the fifth chapter in this proposed research study. This chapter will include conclusion remarks of the overall discussion and based on the conclusion suitable recommendations will be given for highlighting the way compliance as a tool will help to improve the ethical performance of companies.

Chapter 2: Literature review

2.1 Introduction

Literature review refers to investigating the studies conducted by any researcher in the past on a particular subject. It proposes significant methods to theorise the facts and events and assess their development experienced during a particular period in the past on a particular subject. In the literature review, a view of the different perspectives relating to the behaviour of any subject in the past is taken by examining the core areas discovered by the researchers in the particular studies (Winarni, 2021; Negri *et al.*, 2021). This literature review mainly focuses on examining the concept and significance of the compliance and ethical performance of the business and signifies the eminent factors under the compliance that impact the working and the ethical performance of a business.

In addition, the value of compliance in the business work and in determining the ethical standards that comprise the quality of performance by a business entity in various business spheres will be examined to know the effects of these elements in the context of business actions. The various spheres of business compliance include accounting, goods and services tax (GST), tax collected at source (TCS), tax deducted at source (TDS), and general legal compliances visualising the correspondence of business with the interests of the society.

2.2 Concept of Compliance and Ethical Performance

According to Iksanovet *al.* (2021), the term compliance refers to a system of mechanisms that follow a particular authority for ensuring proper and systematic implementation of the laws and regulations in an organisation. The primary purpose of compliance is to make the business operable smoothly and systematically to structure the behaviour of overall business turnover in a risk managing way. In compliance, all the business activities are decided to operate and behave in specific ways and mainly adhered to the rules and procedures prescribed in the articles and memorandum of the business. The term compliance indicates the role and behaviour of various business components like income and costs for legally maintaining the business transactions and to soundly secure an optimum ratio of the business-societal and business-political relations. In the viewpoint of Krepysheva (2020), compliance is used to enable a business to have ample ways of empowering the worth and credibility of the business by facilitating

the factors of risk associated with the business. Such risks include business loss, accidents, fire, and thefts frauds to the business, and these impact the business performance in due course of the legal, financial terms. Therefore, the power of compliance helps the business deal with the risks by following the accounting standards and techniques and imperatives and compulsions that are ordained by the government authorities.

In the context of ethical performance, the scholars Spulbaref *al.* (2021) have examined that ethical performance of business refers to the application of principles of morality and distinctive norms in the actions of the business that affect standard business behaviour with respect to the internal and external environment of the business. Similarly, the word ethical performance connotes the habits and the essential values upon which the activities of the business-like proper employee satisfaction, internal and external business environment and legal compliances are based. It has been observed by the scholars mentioned above that the ethical performance of every business is becoming a growing concern for the minute business-social responses and relations. In today's era of firm business, managers have been recognised as the main factors in the ethical domains of the business. In a similar context, Sroka and Lőrinczy(2015) have emphasised that management-led initiatives influence the areas of profits to the business; however, only if these initiatives are spent over in the business in an ethical way, the firm's success prevails throughout the legal and societal economic spectrum of the business.

In order to make the initiatives more productive and dominant, it is a prerequisite for every management to adopt certain ethical standards such as honesty, morality, and integrity in the management practices. As stated by the authors Larson and Chang (2016), the intelligence of every business reflects a fundamental element of the business, which is the consumer behaviour upon which the business is valued concerning the information and decisions rendered by the business hierarchies. Hence, every firm has to necessarily comply with the ethical standards that are ordained by the authorities governing the business environment in order to distinguish relevant and irrelevant concerns out of the decision-making process.

2.3 Need and Significance of Compliance and Ethical Performance

In the viewpoint of Burdon and Sorour (2020), the presence of compliance culture in an organisation safeguards the organisation in meeting and dealing with legal obligations in addition to ensuring the safety, health and welfare of organizational members. Unable to comply and failure in maintaining the standards placed and mandates set by the law with regards to business will ultimately lead to legal liability in addition with leaving devastating results such as damaged business reputation and adversely impacted productivity.

According to scholar Larney (2021), Ethical principles have a very significant part in fostering and having a balanced organisational growth as they are helpful in minimising or lowering unethical practices, enlarging the scope of corporate social responsibility, and also helpful in supporting a collaborative environment and maintaining the spirit of integrity through all the levels in an organisation. Ethical practices help organisation in several aspects resulting in witnessing enhanced and improved business outcomes. Those aspects have a diversifying impact on the organisation all over operating cycle such as improved employee performance, helpful in reinforcing and nourishing organisation commitment towards achieving its goals and many more.

In the same context scholars M'Mugambi, Okeyo and Muthoka (2021), also described that during the dawn of 21st century several business organisation failure is largely depended on their inefficiency to control and conduct ethical practices in their organisation as a result the demand for ethics and their successful compliance is turning the leaders into a very esteemed assets to the organisation. Personal responsibility, corporate responsibility and responsibility towards environment and community are some of the most common ethical practices required in an organisation. These ethical practices and their compliance is necessary in an organisation as it safeguards and ensures that the policies introduced by the organisation are being respected and followed fairly.

In the viewpoint of Ferrell and Fraedrich (2021), good financial performance and business ethics are interrelated as they promote altruism, transparency, professionalism and loyalty towards business organisation. Ethical culture and its compliance at all levels in the organisation ensures improved employee's performance which in turn develop a sense of altruism which helps them in understanding the concerns and demands of the

customer ultimately developing the organisation goodwill and profitability in the market. Successful compliance to ethical practice is helpful in the addressing and prevention of a number of potential misconducts such as: accounting fraud, company's resources misuse, harassment and bribery.

In this contrast, Blunden (2021), also stated that ignoring and disregarding the ethical policies also leads to significant market failures and justice failures, leads to reduction in economy efficiency where organisation operates ultimately affecting the productivity and profitability of the organisation. In contrast to ethicality and its compliance, Darwish and Abdeldayem (2019), also asserted that ethics and the ability to manage risk efficiently and effectively are strongly interlinked and helpful in ensuring sustainability of an organisation. The authors have also described that being interlinked with risk management, there are two types risks involved in disregarding the ethical policies set by the organisations, monetary/financial and non-monetary/financial risk. Financial risk refers to suffering of losses by an individual or the organisation as a whole due to misuse of the resources and on the other hand, non-financial risk does not cause any direct material loss but in long run it leaves its devastating impact due to several diverse important aspects which demands concerns such as harassment, misbehaviour and disclosure of trade secrets of an organisation. Respectively, scholars Goklas and Manurung (2022) also described that following ethicality compliance in accounting or organisation is just as important as it promotes ethical culture in respect to professionalism.

2.4 Factors that Make Compliance an Effective Tool for Business

According to Ghafiret *al.* (2018), as the contemporary business world is moving robustly across the modern economic trends, which has been visible with a dynamic infrastructural competence like a high turnover in income, employment generation, societal up-gradation, and legal help to the government bodies.. Various aspects of the business infrastructure that make the business wealthy and prosperous have constituted significant compliance in relation to business information and practices. Similarly, businesses face various factors, thereby giving rise to compliance and making it an effective tool in governing the business.

Security threats/ Information Security Management

As per a study conducted by the scholars, Ghafir *et al.* (2018) and Millaire *et al.* (2017), since the twenty-first century, modern global business has been very much comprised with respect to the management of the firm infrastructure. Moreover, it has been caused due to the technological innovations introduced in the firms and the replacement of human participation. Due to this, the more the technology has developed, the more has been the rise in security threats. It has been observed by FireEye (2016) that 77% of cyber threats have been focused on the working of the SMEs (Small and Medium Sized Enterprises), whereas 55% of SMEs globally did not consider the security aspects in the firms. As examined by the scholars Carella, Kotsoev and Truta (2017), social conspiracy, institutional misguides, malware threats (phishing and smishing), and inter-firm greed has manipulated the firm's infrastructure business and led to financial loss infirm. Therefore, Ghafir *et al.* (2016), and Kličnikov, Mura and Sklenár (2019) have emphasised that in order to build a keen infrastructural strategy, due consideration should be given to the compliance for promoting business sustainability of the firms. Such infrastructural strategies include detective systems and tools, cyber-modified client-server interactions, developing intelligent employee know-how through training, and a healthy authoritative network of work. Adopting the stated measures will have significantly increased the role of compliance in firm behaviour and growth.

Also, it has been found that employee behaviours, in the context of technology, has been a major concern for the IT security system and teams. Remišová, Lašáková, and Kirchmayer (2019) states that there are threats of intentional attacks by the malicious employees and even by misusing the information technology, which contributes to the threatening of information security of the organisation as well. The cyber-attacks or attacks by malwares and virus shave taken advantage and also targeted the employees, which include phishing attacks, social engineering attacks, password cracking, call centre fraud and even taking over or compromising with an account, all of which contributes to the affectation of security and compromising with the nature of organizational functioning and organizational infrastructure too (Kobielieva *et al.* 2018). Now, employees' ethics has become a central aspect of compliance and security because most of the internal factors represent the main focus of vulnerability. Not only does they have access to sensitive information and data while performing their jobs but the actions undertaken have been

outside the organisation's control, and thus, behaviours of employees are considered as a major security factor that gets influenced, which improves compliance as well (Bryndin 2021). The organisations need to establish a healthy culture that allows employees to adopt behaviours to follow the ethical guidelines, code of conduct and laws that are required for managing compliance and to promote Information technology security as well. Thus, the information security management is related to the management and overcoming security threats effectively as well.

Firm Existentialism

In the viewpoint of Lutomia (2021), the organisational pattern of the firms bears the business according to the needs and procedures prescribed in the articles or deeds. It has been assumed that management of the firms usually gives up the subjects of compliance, which directly impacts the working of the firms. These subjects include employee pays, TDS, training and education, selling strategies, turnover progress and business reliability and ownership. These subjects create mobility of firms in diverse environments like economic, social, and political. These environments also put pressure on the feasibility of the firms in relation to income and expenditure. In this regard, the firms have required the essential services to make their processes amenable for market durability. Hence, the firms require differential approaches to compliance in respect to business and legal practices like accounting, payment of taxes and employee promotion, firm image and ownership, and a definite work mechanism. Thus, with the help of compliance, the firms' managers can structure the firms' existentialism in a sound and protective way.

Just as compliance is considered as an effective tool for improving ethical performance, firm existentialism refers to the various functions associated with capacity of individuals to act and behave with freedom, while combining the decisions. Shin, Lee, and Chung (2021) states that the bottom line represents that the business professionals are individuals at first, and then they could choose the roles, that suit their essence, nature and behaviours of theirs. All professionals exist as a person first, and thus, the major components of existentialism is the notion of responsibility for individual actions. It is thus, considered as a philosophy for personal decision making because not only is it based on

personal or individual choices, but also there is need to comply with various aspects to ensure doing things and making decisions ethically too.

Taxation

Lutomia (2021) has stated that the firms need to pay a sum in per cent on the revenue generated from their financial transactions. This sum is, called tax, is to be paid by the firms relating to different backgrounds such as under-developed, developing, and developed economies. In relation to tax payment, however, the firms have been facing difficulties in persisting with the generation of the revenue amid tax imposition such as GST (Goods and Services Tax), TCS (Tax Collected at Source) and TDS (Tax deducted at Source). In the context of tax from the background of the economy, Larasdiputra (2021) has reflected that even though the economies have shown complete mingling with the tax system, the firms have observed a gradual decline in the farm economy growth. Several examples of the firms that have observed such situations belong to various countries such as Indonesia, Africa, and the European continent. In this context, Hungerman (2022) has argued that a proper tax structure that would meet the taxpayers' demands has made compliance significantly concerning for the firms. In this field, the compliance in taxes has to be reasonable to protect the firms' interests.

With the achievement of higher value of ethics, there would also be better tax compliance and thus tax literacy is considered as a major factor that impacts compliance. Managing proper tax education and awareness could also result in better planning for the tax payers as well as help in improving compliance, thus, leading to better ethical performance for the business organisations as well. Benkraiem et al. (2021) is of the view that proper taxation allows for making payments on income at both state and federal level which facilitates resources provided to the federal tax compliance as well as keep the system functional and working for all, while supporting various programs and services to improve individual lives perfectly.

2.5 Effectiveness of Compliance as a Tool for Improving the Ethical Performance of Firms

In the viewpoint of scholars Dorogov, Kapitonov and Batyrova (2021), compliance is becoming a constitutive and indispensable part of the management of the part in the current era as compliance is a very effective tool in ensuring the successful

implementation of the legislative and accounting policies introduced within a firm. With respect to ethical performance, effective compliance to ethical practices and policies helps in reinforcing the firms' reputation. It is also helpful in keeping in check the surge of power and resources under regulatory bodies to ensure successful execution and administration of such legislative policies at all levels within a firm.

In the same context, scholars Nkwazema and Ebimobowei (2011) stated that the performance of a firm is also largely dependent on the work of certain people who have or belong to a professional field of work, and their compliance in grounds of integrity and objectivity is of great significance and how they use it further. Among those people, accountants also belong to such work fields, and it becomes necessary that they themselves obey ethical compliance towards their field of work. In addition, they can even use it as a tool which in turn gives boost to the morale of other employees as well, ultimately leading to increased determination and resolution towards corporate responsibility.

According to Bayo and Red-well (2021), compliance is very efficacious in fostering and stimulating an ethical climate. Firms that support ethical conduct and have such an ethical climate have the ability to understand several management roles that, In turn, helps in hindering and preventing any criminal conduct from transpiring or taking place. Proactive monitoring would also prove very helpful in ensuring legislative compliance in addition to compatibility in the firm's standard auditing functions. With the help of such compliance strategies, management can bring forth a well-documented and tested ethical compliance blueprint that enables the firms and their employees in boosting their reputation without having to lose their customers and stakeholders.

In contrast Remišová, Lašáková and Kirchmayer (2019) also described that the presence of effective compliance programs introduced or used by the organisations is capable of setting comprehensible and on the same note logical procedures and standards at all the levels in the firm in order to detect and avoid criminal conducts. With regards to the prevention of misconduct, the designated committee and the compliance officer can use this tool to improve the ethical performance of the firm, and it even is more helpful in establishing an effective line of communication to report and take disciplinary measures in time.

According to scholars Khaled and Gond (2020), improving the ethical performance of the firm is also possible through the adoption of effective compliance policies. Firms can use diverse compliance strategies in order to stop unethical activities, for example, compliance through the adoption and employment of online training and short advertisements of misconducts such as anti-bribery with also providing it face-to-face, this will ultimately ensure complete circulation of information and knowledge about misconducts and the penalties comes with being engaged in unethical practices. In the same context, Sampson (2021) stated that Effective compliance strategies embedded in a firm enable the employees to speak comfortably about the issues and concerns they might have regarding the ethical environment currently working in the firm. In order to comply with and protect the human rights issues from the wrongdoers, establishing an effective line of communication between the employer and employees is a great way in monitoring and making certain that the ethical code of conduct sustains while improving the company reputation.

Also stated by Babri, Davidson, and Helin (2021), that the major responsibility of the corporate compliance team is to develop and implement various compliance programs and strategies, while even prioritising on identification, overseeing and mitigation of issues associated with the issues of compliance at the organisational level. The increasing regulatory compliance further adds to the requirement for collaborating with the various departments and regulatory teams, thus, oversee compliance at the departmental and organizational level. The compliance strategy not only identifies the potential risks, but also determine the ways required to mitigate those issues, furthermore, ensuring appropriate course of action undertaken to improve ethical performance and reputation of the organization as a whole.

In respect to stating compliance as a tool for maintaining and improving the ethical environment in the firm, scholars Dorogov, Kapitonov and Batyrova (2021) also discussed how to maintain competitiveness and execute legislative compliance. Through several firm compliance programs, ongoing ethical policies and procedures can be observed and identified through risk analysis process. Such annually conducted risk analysis data can also be used to present and improve the firm's reputation by prioritising high risk factors as shown in figure 1, the authors through their study have signified the crucial importance

of compliance applicability in some areas by identifying the risk management strategy in the firms. Effective compliance policies help monitor accountability continuously time-to-time to avoid and review the controlled mitigating practices, which ultimately helps in the up-gradation of the ongoing policies on a yearly basis.

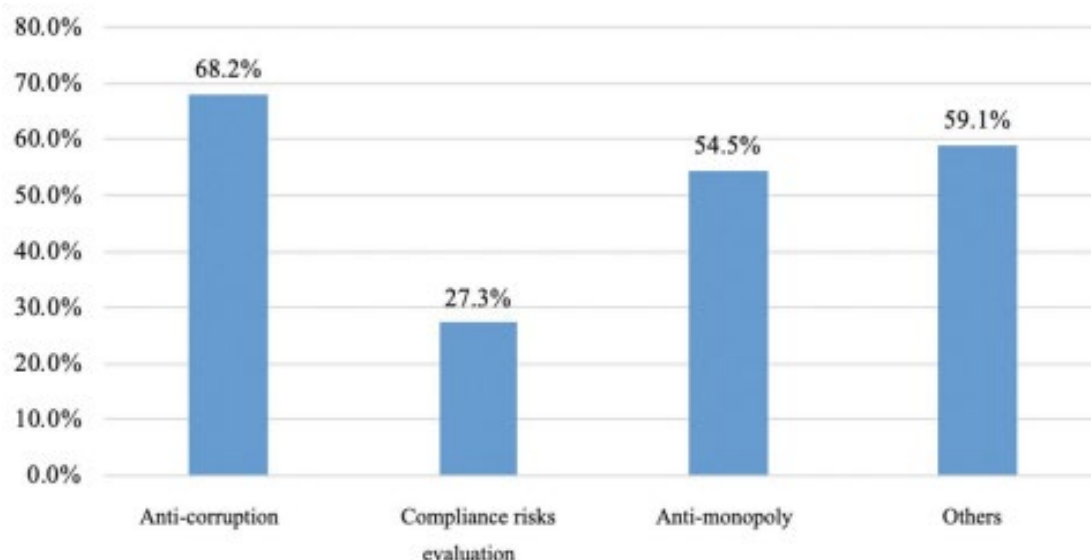


Figure 1: Areas of applicability of compliance in a firm

Source: (Dorogov, Kapitonov and Batyrova, 2021).

As per the study conducted by Mamaysky (2021), updating intramural procedures annually help firms in reacting competently towards the practice of misconduct and in ensuring disciplinary framework across all levels of the firms. Having tracking software enables the firms in increasing the effectiveness of compliance as a tool in evaluating and monitoring firms' expenses, resources, productivity and accountability in parameters of dynamic working ethicality.

2.6 Conceptual Framework

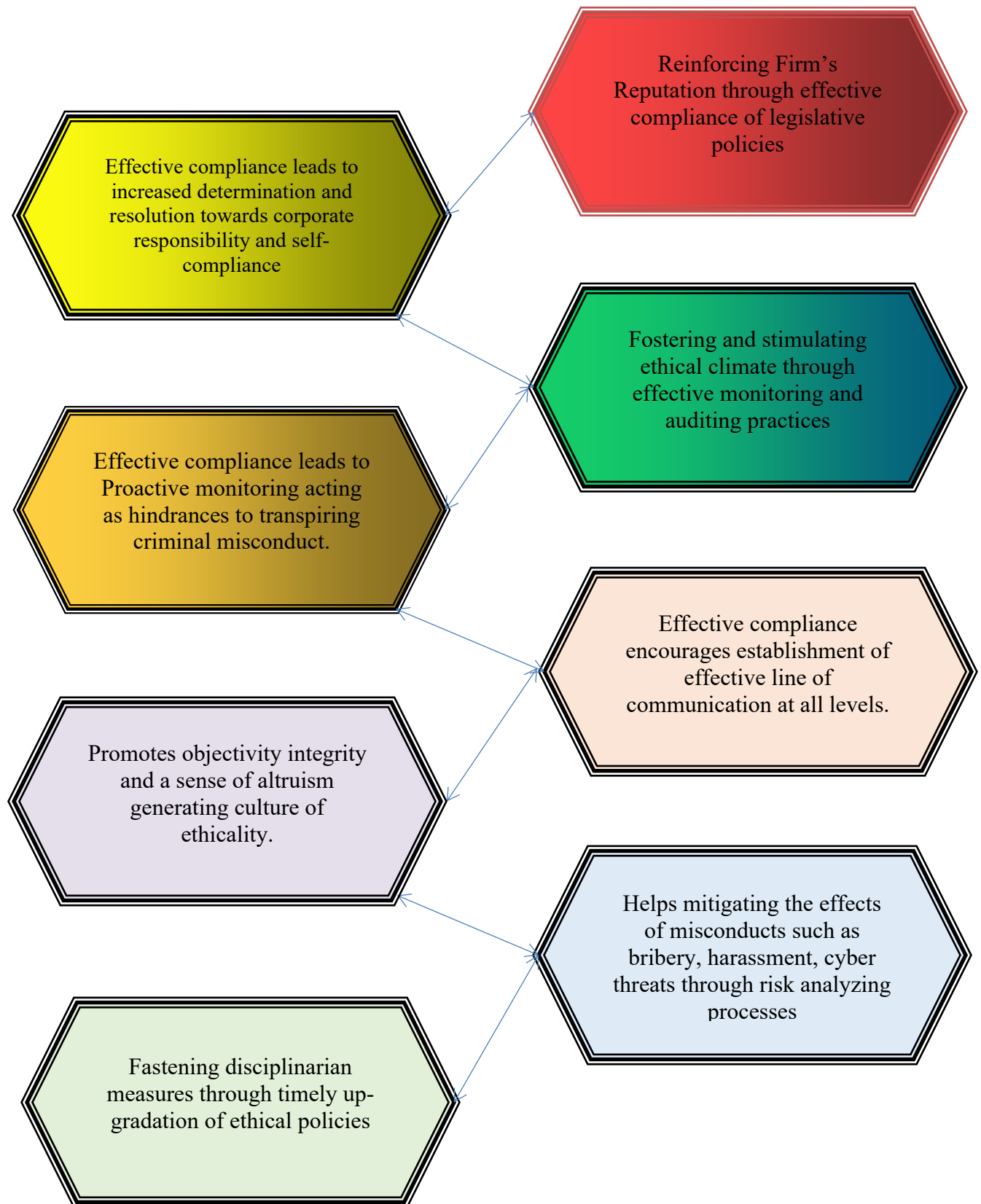


Figure 2: Compliance as a tool in improving Ethical performance of the firms

Source: (Self-made)

2.7 Summary and Gap

The compliance has immensely been empowering the financial and managerial performance of the firms. It has been measured in the above studies that the overall image of the firms in building reputation and making the business of the firm operate profitably, compliance provides numerous opportunities in the development of different business segments. Compliance has improved the ethical performance of the firms by supporting the different spheres of work with security, automation, integration, and competitiveness in the internal and external markets. The effect of compliance can be seen in the firm's books of accounts that disclose complete and comprehensive relations of taxes and other legal processes such as audits and ethical responsibility of the firm. In addition to this, different parameters of compliance like cyber security, efficient business and employee performance, and legal adherence to socio-political affairs of the business. However, cumulative nuances affect business performance and give compliance a broader scope in positively influencing the firms' business. The institutional support to small, medium, and large firms for enhancing their capacity to produce and incentivising the firms with improved policies of taxation and governance will make the compliance to arrive at better outcomes of the strong identity and productivity. The firms also need to minutely entertain the problems in working and adopt security measures to protect the business' financial information and ethical framework.

Chapter 3: Research Methodology

3.1 Introduction

The methodology is the most vital part of the research as it forms the basis on which the research is performed (Steelman, Hammer and Limayem, 2014). In this research, qualitative data collection is used where interviews of participants have been conducted. In relation to qualitative data analysis, methodological aspects are being chosen, and the reasons are explained in further sections of research methodology as per the Saunders Onion Model.

3.2 Research Model

The research methodology is discussed with the help of the Saunders onion model in this dissertation to apply suitable philosophy, approach, strategy, choice, time horizon and technique of data analysis as shown in the figure given below. The model given below is considered suitable as it contributes to research work development.

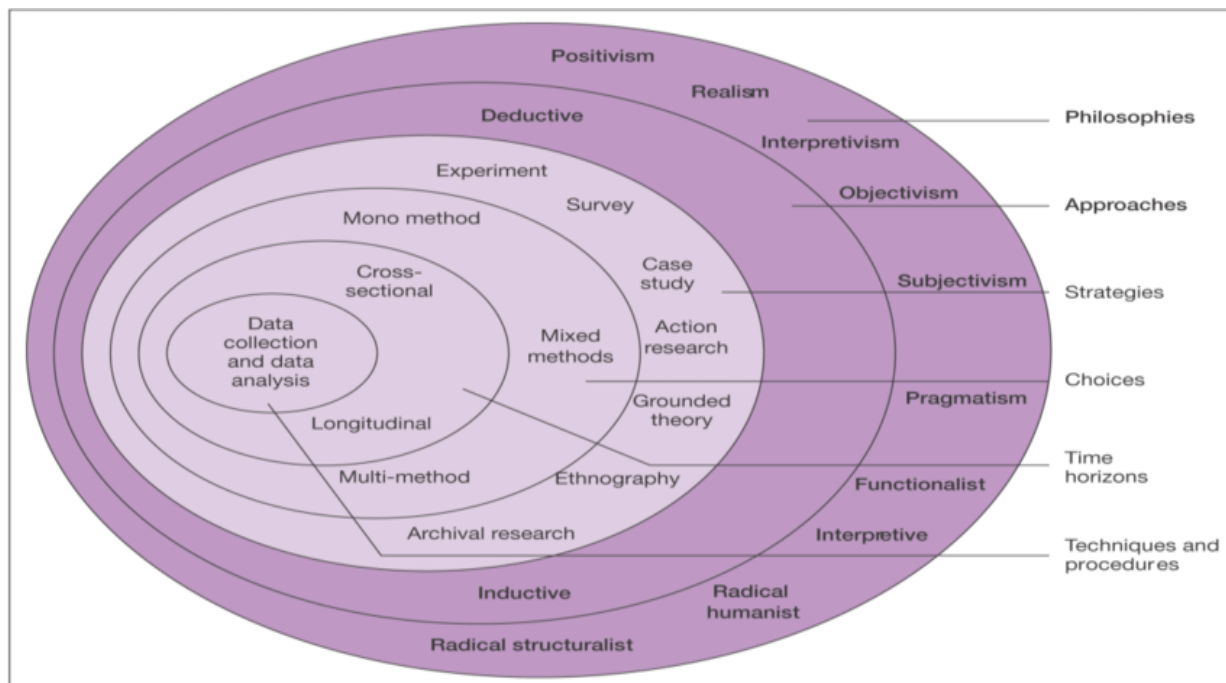


Figure 1: Saunders Onion Model (Source- Saunders, 2016)

3.3 Research Philosophy

In this research study, the Interpretivism philosophy has been chosen from the various alternatives available, as shown in the figure of the Saunders Onion model.

Interpretivism is a suitable choice for this research study as it fulfils the purpose of collecting qualitative data and actions (Alharahsheh and Pius, 2020). This philosophy lays emphasis on the nature and character of their people as well as their contribution towards social life and facilitates in understanding the reasons of particular actions of the people that directly affect their behaviour (Zukauskas, Vveinhardt and Andriukaitienė, 2018). Interpretivism philosophy is useful in this research study as it helps in analysing different viewpoints of the participants in the finance in relation to the significance of compliance and how it helps in improving the overall ethical performance of an organisation. With the help of this research philosophy, an abundance of data can be gathered from the participants, and their different perceptions about compliance and its positive impacts on the organisation's overall performance are analysed. Interpretivism philosophy has fostered in collecting and analysing data that has enabled in getting access to in-depth information about the issue (Ryan, 2018).

As the topic prioritizes on the need to manage compliance, which is considered as an effective tool for improving ethical performance of organisations. Thus, the research needs to follow ethics while acquiring responses and data, which must be valid and authentic. The interpretivism philosophy research helps in drawing responses that are valid and close to the truth. Also, the philosophical approach helps in providing a good reflection about how people feel about providing a clear and accurate picture of what the researcher wants to measure. More importantly, it gives a clear and accurate picture of the research by providing personal and depth in responses, which ensures focus on individuals, rather than the responses acquired collectively (Žukauskas, Vveinhardt, and Andriukaitienė 2018). This has allowed the respondents to provide answers with the actual meaning and feeling, while managing detailed responses to understand the truth behind it and its accuracy while measuring. Thus, the interpretivism philosophy of research has been considered as the most suitable and convenient here while conducting the research appropriately.

3.4 Research Approach

An inductive research approach is used in this research study that has enabled the creation of new theories and concepts, which has helped in generating necessary explanations. In this research study, the inductive approach has helped in the

development of meanings and observations acquired from the participants of the finance industry in Ireland. This approach is based on analysing qualitative data from interviews and then developing a theory on the basis of information gathered (Smart, Witt and Scot, 2012). Every participant possesses different views on the concept of compliance and its impact on the ethical functioning of the organisations. Thus, its application is useful to understand different opinions of the participants towards compliance and improvement in the ethical performance of the organisation and enables the creation of new theories of compliance and ethical improvement. This approach is a suitable option as it is highly compatible with qualitative based research (Pajo, 2017).

The inductive research approach has helped in conducting the research by creating flexibility, focusing closely to the context of research and ensuring support of new theories and concepts which are crucial for understanding how compliance nowadays, is very much crucial for lifting the ethical performance of the organisations. With the help of this inductive approach, it would also become easier for predicting the things that might happen in the future as well as create better possibility for what might be encountered in the future as well (Woiceshyn and Daellenbach 2018).

3.5 Research Strategy

In this research study, an interview is considered a suitable research strategy for collecting data as per the qualitative data collection method and in qualitative data collection, it facilitates in acquiring behavioural perceptions of people and helps in a better understanding of their experiences. The interview gathers detailed information about people and their feelings and is the most common strategy of data collection as it allows people to express their feelings and share experiences (Onwuegbuzie, Leech and Collin, 2010). Thus, conducting interviews in this study has been found useful to collect personal information and viewpoints of the participants in relation to compliance that has turned out extremely useful in this research study. Although interview strategy is more time consuming than surveys, it has a smaller sample size and provides accurate qualitative data, which is required in performing a research study (Wilson, 2021).

3.5.1 Target Sample and Sampling Strategy

The target group interviewed were 10 participants (selected from personal sources) from the finance industry who belong to managerial positions in Ireland. The

selection of participants was made using non-probability sampling named purposive sampling, where the particular sample is selected using predefined criteria, and the final decision is made about whom to select. This sampling is applied to avoid a limitation of biased selection and convenient selection of the participants in relation to the data viability and validity (Olsen, 2011). The main purpose behind selection of the purposive sampling method or technique is that it helps in being judgmental, selective and subjective as well. This allows researcher to be dependent on their own judgment and decision, while choosing or selecting the members of the population, who should be a part of the survey process. This technique could be used for looking at a diverse range of cases or scenarios as well as acquire insight into the research subject from the participants of research, from different perspectives, much more accurately. The members of sales that are selected by the research also shared similar set of characteristics and behaviours, which make it easier for conducting the research appropriately and in a detailed manner too (Cash et al. 2022). The major benefits or advantages are that the research could gather a diverse range of information and data for determining the impact of findings on the population while even manage the research aspects at a much lesser cost and within quick time too. The purposive sampling, as part of the non-probability sampling technique also serves the purpose of tailoring the needs of participants and improve the effectiveness of survey, furthermore, contribute to the survey-based outcomes properly (Schreier 2018).

3.6 Research Choice

In this research study, mono research choice has been used to support the collection of qualitative data. Mono qualitative research (i.e., researches in which only a single qualitative method) has helped in better understanding complex situations that affect the behaviour of the participants, which enables in forming a clear picture of qualitative data. Mono research is a flexible approach as it helps in smooth data collection during interviews and requires a smaller sample size as compared to the survey method (Badke, 2021). In this research study, mono research choice is chosen because qualitative data collection is being done in order to gather useful information from the participants as it involves the collection of single data, which is less consuming and provides accurate information. It has turned out to be a flexible method in gathering different opinions and attitudes of the participants of the finance industry in Ireland about

the concept of compliance and analysing its positive impacts on the ethical performance of organisations that have enabled in gathering reliable data which is suitable for building theories and conclusions.

3.7 Research Procedures and Techniques

In this research study, qualitative data analysis is being performed for analysing interview responses collected from the participants where they expressed their feelings, experiences and attributes that facilitated in understanding ethical compliance and its impact on organisational performance. The analysis of qualitative data is done by thematic analysis, which is a method for identifying and describing report patterns and facilitates the creation of themes and codes. Thematic analysis is used for addressing the research and analysing the data that makes sense (Braun and Clarke, 2021). With the help of this, an effective understanding of compliance and its impacts can be analysed, and different viewpoints of the participants can be evaluated in order to form theories and conclusions. Due to consideration of interview based of information and data, considered as qualitative data. The thematic analysis not only analyses the qualitative data, but also helps in application of various texts, in the form of interviews and transcripts. This has further added to the effectiveness in identification of common themes, topics, ideas, and patterns of meaning which repeatedly forms the part of research (Pandey and Pandey 2021). It would help in gathering the opinions and responses of the participants, then analyse the effects of compliance and how it has contributed to the successful management of ethical decision making and achievement of ethical performance in business as well.

3.8 Ethical Consideration

In this research study, the data has been gathered by keeping in mind the aims and objectives of the research. While performing this research, consent of the people has been taken before conducting the interviews to comply with ethical consideration of the voluntary participation of people. At the time of data collection, privacy and confidentiality of the participants were maintained, and there was no leakage of personal information. All the data of participants was protected by passwords so that no outsider could have access to it, and the identities of the participants were kept anonymous. The collected from the respondents will be saved in audio format which will be transcribed in written

form. After the transcription the audio files will be deleted. Furthermore, data originality has been kept in mind throughout the research study, and no data have been copied from any sources to ensure reliability and credibility. Proper in-text citations have been given, and no fake facts have been quoted in the research study. Plagiarism has been strictly avoided in this research study for maintaining complete conformity (Miller *et al.*, 2012).

As understood from the information provided, confidentiality and privacy of information is very much crucial and essential, as part of the management of ethical considerations in the research. Also, the participants of research have been informed about the purpose of research which is to carry out academic studies, and not to draw any potential commercial benefits from the research. The major ethical concerns that must be taken into account while doing qualitative research are the anonymity, confidentiality of information and acquiring informed consent as well (Iphofen and Tolich 2018). The individuals from whom, information and data are acquired, need to be kept confidential and private, to prevent any data loss and privacy while allowing the researcher to provide the participants with a form to acquire their informed consent. This should help in ensuring that none of the participants have been pressurised to be a part of the research and everything has been done with proper ethical measures followed during the research.

3.9 Summary

In this research study, qualitative research has been conducted using the interview method of data collection that includes a small sample size of 10 participants who work in managerial positions in the finance industry of Ireland. Interviews of participants of the finance industry were conducted for evaluating their knowledge and experience about ethical compliance. Interpretivism philosophy has been chosen for qualitative research as it enables an understanding of the behaviour and actions of the participants in relation to compliance. To support this, the inductive approach has been applied in this research for developing new theories acquired from the data collected. Mono research choice has been used in this research study for the collection of qualitative data. The qualitative data have been analysed by thematic analysis, which helps in identifying and developing themes and codes. With the use of all these research methodologies, accurate data

collection has been done, and the impacts of compliance on the overall ethical performance of the organisation have been evaluated.

Chapter 4: Data Collection/Findings/Analysis

4.1 Introduction

The section of data analysis in the research project is purposed to appraise the explored data findings from the applied research methods. Data analysis helps in enhancing data uniformity by enabling the removal of unwanted data fragments and determining the validity of explored data findings by comparing them with the secondary findings (Pajo, 2017). In the current research chapter, the use of thematic analysis is highlighted as the data analysis strategy for appraising the experience-based data findings fetched from finance managers in Ireland. The chapter also provides a summary of the key data outcomes obtained from the implemented method of data analysis.

4.2 Thematic Analysis

Theme 1: Analysing the Concept of Compliance as well as Ethical Performance

The above theme is developed in the direction of analysis of the concept-oriented to ethical performance and compliance. In this relation, Participant 1 indicated that, *“Compliance has the concept of being adhered to the overall business-oriented rules as well as processes to ensure credibility of the business activities, reduction of fraud, and management of integrity as well as maintenance of moral values”*. Apart from this, Participant 3 mentioned that, *“Compliance with the business standards is clearly related to the honesty and values maintained while carrying out the business operations which clearly maintain ethical performance in business.”* The above findings supported in interpreting that the compliance is related to the adherence shown by the management and workers to the legal and ethical rules by showing morality, honesty, truthfulness as well as integrity towards their work. On the other side, Participant 5 mentioned that *“Business-oriented risks regarding fraud, theft and losses can be mitigated through showing legal compliance and valuing ethical norms while dealing with customers and other stakeholders.”* Apart from the above, Participant 7 mentioned that *“compliance is said to be a concept related to fulfilling social responsibility and managing businesses’ social and ethical values by decent, sincere and truthful activities.”* In addition, Participant 9 mentioned that *“Compliance to the business-oriented legal regulations and measures is a vital aspect for maintaining transparency while providing business services or products to the society. Trusted relations and positive image can be sustained through*

showing compliance with the legal norms and managing ethical performance." The overall interpretation and evaluation of the aforementioned finding are that the compliance concept can be regarded as the aspect of fulfilling legal responsibilities and showing adherence to the business-based rules so that the work procedures and activities of the business can be maintained in an ethical and valuable manner. In this way, the ethical performance of any business is reliant on the extent to which the businesses show abidance and compliance to the legal norms for maintaining ethical values towards all the associated stakeholders including customers and extended society. The literature-oriented data also guided that for avoiding any misconduct and maintaining integrity towards everyone, legal as well as ethical compliance is extremely required (Sroka and Lőrinczy, 2015; Larson and Chang, 2016).

Theme 2: Identification of the Factors Enhancing the Efficiency of the Compliance

The aforementioned theme is related to the identification and determination of the potential factors that improvise the efficacy level of the legal rules' compliance. In this context, Participant 2 mentioned that, *"One of the factors is Information Security Management that helps in preventing issues related to malware threats, data theft, misguides of institutions and any type of data losses for the business due to which the compliance to the ethical and legal norms tend to be strengthened in the business."* On the other side, Participant 4 depicted that, *"detective system, cyber-security measures, collection of tax and accounting standards such as IFRS are some factors that improve compliance's efficacy because of maintaining fraudulent activities and mischievous deeds in the organisational operations, information management, service delivery and financial disclosures."* Based on the aforementioned transcripts, it is evaluated that there are multifaceted factors including the security systems, compliance codes like IFRS ethical code, cyber-security measure and information management system that support the efficacy level and strength of compliance of the organisational people to the ethical and legal rules for improving business's ethical performance.

Apart from this, Participant 7 depicted that, *"Employees' training, cyber-secure interaction between clients and employees as well as the authoritative type of networks hold high values and importance in strengthening and enhancing the compliance's role for businesses' ethical achievements and significant growth."* Additionally, Participant 10

highlighted that, *“fair and transparent working procedures, audits, constant monitoring and tracking of the compliance of legal and ethical regulations and definite mechanism of work are essential factors that enhance efficacy and progress of compliance.”* The data findings contributed towards making clear interpretations that transparency towards regular working, constant monitoring, cyber-security provision, authorisation of business networks, continuous tracking of compliance-based working and regular audit hold utmost values in regard to managing the efficacy-level of compliance. The literature-oriented information also revealed that authoritative network; cyber-security-based interactions of client and employees, fraud detection system, social-conspiracy, protection from malware attack and information security are some vital factors that contribute towards compliance efficacy increment (Ghafir *et al.*, 2016; Ključnikov, Mura and Sklenár, 2019; Millaire *et al.*, 2017; Carella, Kotsoev and Truta, 2017). In this way, it is realised that the protection from threats and attacks are essential factors to strengthen the efficacy level of overall compliance of an organisation to the legal rules as well as legal norms.

Theme 3: Evaluation of the Impact generated by the Compliance upon the Health as well as Safety the Employees in the Organisation

The above-depicted theme is projected for the representation of the impact put by the compliance standards on the health and safety levels of the employees within the business organisations. In this context, Participant 4 has exclaimed, *“I believe that compliance is an important tool for handling the employee training as well as justified remuneration. In my opinion, compliance shows a very good effect on the reliability as well as admissible turnover levels maintained by the firm.”*

On the other side, Participant 2 and Participant 6 have also mutually stated, *“I think that compliance is highly effective to be maintained for the business company in order to assure legal accounting and tax payment. It is analysed that the compliance generates a positive impact on the image of the company in terms of structuring the legitimacy of the accounting, tax payment as well as employee promotion-related aspects of the business firm.”* Therefore, in the context of the collected interview responses, it is interpreted that compliance is highly needful for generating a positive impact on the management of legality as well as reliability of the business companies. It can be analysed that compliance is essential to be maintained for ethical distribution of employee payments as

well as issuing effective accounting measures. It is further supported by literature findings that compliance is highly needful for effective management of the employee payments; training as well as sustaining the turnover progress of the business companies (Lutomia, 2021).

In contrast to the above, Participant 7 has stated, *"I believe that the concept of compliance is identified to put a positive impact on the infrastructural approach of the business firms. Compliance is highly helpful for generating a supportive organisational impact in terms of increased sustainability levels of the firm."* Thus, it is interpreted that compliance is beneficial for the establishment of the structural effectiveness of the business company.

In contrast to the above views, Participant 9 has exclaimed, *"With the help of compliance, an organisation is capable of determining an effective organisational environment that enables the application of the appropriate detective systems as well as execution of the client-server communication. This generates positive influence on the company by outlining a dependable working network."* Hence, the interview responses have assisted in interpreting that compliance is useful for generating a positive impact on the workplace by means of introducing a reliable business network as well as increasing the overall sustainability of the business companies. It can also be reviewed by the support of literature that the core aim of the compliance in the organisations is dedicated towards the establishment of a reliable infrastructural strategy that promotes sustainability within the business practices of firms (Ključnikov, Mura and Sklenár, 2019; Ghafir *et al.*, 2016).

Theme 4: Assessing the Effectiveness of the Compliance as a Significant Tool towards Improving Ethical Performance of the Companies

The above theme is made for performing a critical assessment regarding the efficiency of compliance for enhancing the ethical performance of business companies. In this context, Participant 1 has mentioned, *"I think that compliance is a very good tool for an effective application of the accounting as well as legal policies of the business companies. I have seen a drastic improvement in terms of the organisational image after application of compliance that makes it an effective tool."* On the other hand, it is examined by the responses of Participant 6 that, *"I believe that the ethical aspect of compliance is highly*

effective in improving its effectiveness as it helps in the generation of an ethical work culture within the business company. I also want to say that compliance has reduced the possibilities of illegal happenings in the workplace, thus justifying its effectiveness."

Hence, it can be reviewed by the obtained responses that compliance is an effective tool for enabling a considerable level of accounting and legal policies within the business. Compliance is also highly effective for the establishment of ethical work culture within the organisational premises. For underpinning the provided responses, the explored literature has helped in describing that the compliance programmes are highly effective for minimising the criminal conduct with the organisation as well as assure the governance of disciplinary measures for assuring ethical conduct in the workplace (Remišová, Lašáková and Kirchmayer, 2019). In contrast to the above, Participant 5 has mentioned, *"I feel that compliance is an effective tool for the effective adoption of the online training as well as management of the misconduct that involve threatful unethical activities."* It is also stated by Participant 9, *"In my perception, compliance is very effective for the effective circulation of reliable information for quick management of unethical work activities."* Thus, it can be interpreted from the procured interview findings that compliance is highly useful for the management of severe crimes in the company, such as bribery, by strengthening the engagement levels of the workers through an effective interchange of the correct information (Khaled and Gond, 2020). Moreover, as per the above-reflected interview findings, Participant 10 has exclaimed, *"I believe that compliance is a useful tool for assuring effective levels of accountability in the business firms as it assists in examining as well as controlling the mitigation practices in the company."* Adding further, Participant 9 has described that, *"In my views, the application of the tracking software along-with the compliance tool is highly effective for monitoring the available resources in the company as well as monitoring of the net expenses of the business firm."* Therefore, the presented data responses assist in understanding that the compliance tool has increased efficiency in terms of implementing the tracking software as well as sustaining the accountability of the business companies.

Also, the compliance has been an effective tool that enables creation of codes of conduct that must be followed by individuals, engage with the employees and customers well while allowing the manager of the organisation and even the leaders to work as a

good role model (Xie et al. 2019). The necessary training and developmental sessions must be provided a well for improving their skills, knowledge and expertise, furthermore, make them acknowledge and know about the ethical behaviours that are needed to be promoted. Rewarding ethical behaviours shown by employees is also important to keeping them motivated as well as learning from the mistakes becomes easier for creation of scopes and opportunities to succeed. Also, the development of codes makes ethical performance of an organization a strategic priority while keeping constantly focused on engaging, communicating and training the staffs as well. Regular monitoring and measuring effectiveness of ethics programme is also important for managing compliance as well as enhance the ethical performance of the organisations effectively (Chen and Soltes 2018).

4.3 Summary

It is summarised on the grounds of the aforementioned thematic analysis that compliance to the ethical regulations, legislations and legal business norms are essential for preventing theft or violation of data security aspects. Compliance is also noted to be mandatory to avoid illegal acts and show transparency in the dealings with clients as well as in serving society. In this relation, some important factors have been observed including information security system, tracking of business procedures, audit, fraud detection and prevention and constant monitoring that collectively support in enhancing the level of compliance and its efficacy to promote transparency and ethical performance. Along with this, compliance is also identified to have a significant impact on the employees' health, well-being and safety because of reduction of risks, hazards and violation of the privacy of the information of workers.

Chapter 5: Discussion

The research is inclined towards determining and evaluating compliance as an essential factor for improving organisational ethical performance. In this relation, the first objective for the research is related to analysing and evaluating the concept related to ethical performance and compliance. In regard to assist this objective, it is revealed based on the data findings that compliance in the business environment is determined as the aspect of showing adherence to the business rules, legal provisions and ethical guidelines so as to avoid any threats to business data, maintain ethical values and manage transparency while dealing with the clients and customers. For managing ethical performance, it has been essential to show compliance with the legal provisions and legislative norms so as to manage integrity, honesty, moral values and trustworthy relations with the stakeholders while performing business activities and deals. The data obtained from the literature also assisted the information obtained from the interview by depicting that for avoiding any misconduct, eliminating legal barriers and fostering integrity in the business activities, it is vital to maintain ethical compliance due to which the ethical performance of the overall business operations tends to be managed (Larson and Chang, 2016, Sroka and Lőrinczy, 2015).

On the other side, the second objective constructed for the research is about the determination of factors increasing the compliance's efficacy level. In this context, the research findings derived that there are multiple different types of factors including information security management, ethical codes, accounting standards, detective system and audit for tracking and monitoring whether the compliance is appropriately managed in the organisation. In this way, by proper tracking, monitoring and evaluating the compliance shown by the organisational people, the efficacy of compliance and its related outcomes can be managed. The literature-based knowledge also emphasised that fraud-detection process, cyber-security measures, information security and authorisation of networking process hold extreme values in terms of maintaining compliance's efficacy level for strengthening transparent working and honest input in the organisational procedures (Ključnikov, Mura and Sklenár, 2019; Millaire *et al.*, 2017; Carella, Kotsoev and Truta, 2017; Ghafir *et al.*, 2016).

On the other side, in the context of objective number three of the study, it can be discussed that compliance is highly helpful for the generation of a positive impact on the safety levels as well as the health aspects of the business companies by means of enabling the application of the infrastructural strategy that assists in governing the client as well as server-related business interactions. In support of the reviewed findings, the literature results also assist in confirming that with the help of compliance strategy, the employees are capable of recognising the essential information about the organisations that contribute increasingly for generation of the authoritative workflow within the company (Ključnikov, Mura and Sklenár, 2019).

Apart from the above, it is also discussed by the interview findings that compliance is important in terms of defining effective training regimes for the employees as well as setting up a reliable mechanism for remuneration. It is supported by the literature findings that compliance helps in effective regulation of the turnover status within the business companies (Lutomia, 2021). Therefore, it can be discussed that compliance has a positive impact on business companies as it results in attaining dependable work culture that is effective for setting up required means for an authorised payment system as well as staff communication framework.

On the other hand, in alignment with the fourth objective that seeks to determine the examination of the effectiveness of the compliance as a significant tool for handling the ethical performance of the firm, it can be discussed that compliance is highly efficient for imparting correct information among the team members regarding the conduction of the ethical behaviour throughout the company. It also assists in the enactment of the legal and accounting measures that improve the reliability of the business firms. Furthermore, it is also discussed that the compliance is highly important for determining the resource availability in a respective firm. It further helps in describing as well as monitoring the net expenses prevailing in the organisation. The literature has confirmed the discussed findings by offering a description in a similar context that the ethical compliance-related policies are helpful for reframing the reputation of the business companies. It is further reviewed that compliance plays a key role in ensuring successful organisational administration by means of defining legislative policies within the business company (Dorogov, Kapitonov and Batyrova, 2021). It is also discussed that compliance tends to

be effective as it is the main source for stimulation of the ethics-based work climate. With the help of compliance, the auditing functions, as well as legislative policies, are developed that help in the reduction of illegitimate acts in the organisation (Bayo and Redwell, 2021).

Ideally, the development of a code massively helps in enabling the organisations to consider the ethical performance of the organisation as a strategic priority. The management of code of ethics conduct and various organizational policies help in setting clear set of goals and objectives along with standards and expectations, which are key for attaining improved ethical performance. Also, setting the tone at the top is crucial and senior management teams must show good leadership behaviours and at the same time, promote organizational ethical values and beliefs, which allow everyone within the organization, employees and other stakeholders to follow and live those values properly (Vollmer et al. 2020). The engagement of staffs, communication between them and training the staffs definitely creates scope for building a strong and healthy culture. The engagement of staffs, suppliers, investors or shareholders and regulators along with consumer communities is managed through informative communication, which also form an ethical culture that drives potential decision making with the participation of all. Moreover, employees need to be taken care off and their wellbeing, which should be possible by providing support routes to the staffs. This helps in developing clear routes for identification and reporting any suspected fraud activities and check if there is any violation of organisational policies on ethical behaviours as well. The zero-tolerance approach must be adopted and in any case of unethical activities (Lumpkin and Achen 2018). This could keep everyone aware and focused on following various codes, rules and guidelines that ensure compliance and promotes good ethical practices within the organisation. Measuring the effectiveness of ethics programme is important as well through open discussions about the importance of programme, communicate its benefits and also keep everyone knowledgeable about the role of compliance in impacting the overall performance of the organization effectively. Leadership is a major component that has a fundamental role in the management of process of compliance. Leadership allows an individual, i.e., the leader to possess sufficient skills, knowledge and expertise to implement the compliance program by setting up codes and communicating the staffs

about the same, which needs to be followed (Remišová, Lašáková and Kirchmayer 2019). Leaders also motivate the people and exercise their power, which reflect upon the ethics within the organization and how it is important for improving the ethical business performance. The leaders need to engage every organizational member, and then discuss with them about the benefits of compliance and how it acts as an effective way to lift the performance of the organisation, in terms of ethical aspects while constantly striving to build an engaging and participative culture where everyone could share their ideas, opinions and feedbacks. This facilitates the process of decision making and also forms trust and loyalty among each other within the organisation, thus, encouraging everyone within the organization to remain compliant (Kobielieva, Kocziszky, and Veres Somosi 2018). Thus, as per the analysis and discussion of various concepts, it has been found that the compliance is definitely a major aspect that needs to be used as a tool for constantly improving the performance of the companies ethically.

Chapter 6: Conclusion and Recommendations

6.1 Conclusion

The research has been undertaken to serve the agenda of determining the importance of compliance factors for improving the ethical performance shown by the organisations. For supporting and contributing towards the initial objective, it is concluded that compliance holds a significant concept in relation to managing and securing the ethical values of the business through minimising the cases of data theft, fraudulent activity, business losses and dishonest dealings with the clients. Compliance with the legal rules, business standards and ethical codes are highly valuable for businesses in relation to protecting and preventing flaws in the business procedures. Such compliance contributes towards maintaining integrity, honesty, moral aspects as well as ethical values in the business activities and operations so as to improvise the ethical performance of the entire organisation. It is also concluded that based on compliance, trust-based relations can be maintained by the business organisations with their stakeholders including clients or customers. The financial losses, data breaches, data theft and misconducts can be clearly avoided while the compliance is performed by the businesses. In this way, business integrity, positive image and market values of the organisation get significantly increased while the business organisations show compliance with the rules, regulations and ethical codes.

Sub-sequentially, in regard, to determining factors for improving the efficacy of regulatory compliance, the findings of the study asserted that the factors including data security system, audit, detective system, constant monitoring and ethical codes are essential to ensure adherence and compliance maintained by the organisational people. In this way, the discipline can be maintained in the organisation through these factors to confirm regulatory compliance which ultimately derives ethical values and transparency in the organisational activities. Furthermore, authorisation of network, constant tracking of daily-based procedures, monitoring of honest financial disclosures and cyber-security are the critical factors that have a significant contribution towards boosting the compliance level of an organisation to maintain procedural integrity and ethical values.

Moreover, in the direction of the third objective that is focussed on analysing the impact of compliance, the research has contributed significant data findings by describing

that compliance can promote a positive work culture, as it is helpful for the application of the auditing and accounting policies in the workplace for minimisation of the unreliable activities within the workplace. Furthermore, it is also reviewed from the findings that the use of compliance is helpful for generating a positive impact on the workplace as well as the associated workers because it enables promotion of the effective face to face interaction between the members of the organisation. Compliance also promotes effective communication by generating a standardised set of protocols for governing an effective organisational interaction. The research has also helped in understanding the key role of compliance towards assuring effective training, as well as the remuneration of the employed workers. This reduces the chances of less feasibility within the income-related expenditure plan of the organisation. Apart from the above-presented findings, it can also be understood in the alignment of objective four that compliance is an effective tool that enables a high degree of ethical work culture and promotes reduction in the illegitimate practices within the company such as bribery and accountability-related fraud. Compliance helps in the introduction of effective auditing and legislative policies in the company that promotes extensive clarity in terms of determining the authorised financial work structure of a company. In addition to the above, it is concluded that deployment of the compliance programmes re-enforces the potential of the organisation to adopt disciplinary actions in time.

6.2 Recommendations

There are the following recommendations provided to determine the strategies required for boosting compliance within the business organisations for sustaining effective ethical performance.

- One of the recommendations is to run programs of ethical compliance with the agenda of managing the integrity and sustaining the positive reputation of the business by performing ethical things in relation to the stakeholders and organisational employees. Incorporation of compliance and ethical model and risk evaluation are also some essential aspects that are required to be considered by the business organisations to ensure proper compliance to the ethical guidelines and legal norms (Bayo and Red-well, 2021).

- Provision of training, management of shared values, maintenance of harmony, creation of collaborative environment and motivating employees to have positive work motivation by maintaining high standards and keeping moral values are some recommended aspects based on which the compliance can be maintained as a default aspect to promote effective ethical performance (Bayo and Red-well, 2021).
- By fostering corporate social responsibility related strategy within the organisation in terms of managing stakeholders' interests, maintaining truthfulness of the financial disclosures, monitoring of supply-chain and managing environmental concerns such as waste management, compliance can be significantly maintained within the organisations. In this way, ethical performance can adequately be managed within the organisation.
- In order to strengthen the compliance management system of the company, it is suggested to deploy the compliance control activities in the companies, such as carbon emission monitoring strategy for assuring effective environmental compliance as well as the establishment of the internal auditing teams for nurturing the sense of financial compliance (Handoko, Riantono and Gani, 2020).
- It is also recommended in specific interests of the financial companies that the application of financial compliance strategy for the abolishment of the misappropriation of the organisational funds can be practised by the managers for identifying the cases such as falsified balance sheet, issuing of black funds as well as manipulation of the monetary figures in the accounting practices (Schneider, 2015).
- It is also suggested to implement the Reference Architecture for the introduction of compliance in terms of achieving an optimised system for compliance. This architectural software helps in determining the most prominent sites for the application of compliance policies within the system (Yimam and Fernandez, 2016).
- It is further recommended to lay focus upon the implementation of corporate social responsibility within the organisational firms in order to manage the social as well as human resource-based well-being of the company. It is examined that CSR

helps in the effective allocation of funds for the promotion of social welfare (Azam, Khalid and Zia, 2019).

6.3 Limitations

Certain limitations have been identified in this study that restricted the research scope:

- One of the limitations is related to the qualitative nature of the study due to which scientific insights and deduction of the accurately quantified notions could not be derived.
- Another limitation is the limited sample size due to which the restricted amount of information that could be obtained for supporting the research objectives.
- The scope of the current study is also limited as the findings are only limited to determining the importance of compliance for creating ethical values and improving the ethical performance of the organisations. However, the findings are not focused on any particular business organisation. Thus, it is considered important to extend the scope of the study for making the research more focused and inclined towards a particular organisation.

6.4 Future Research

Due to some identified limitations in regard to the methodological instances, some recommendations for future research are given below:

- Due to the limited size of the sample, it has become difficult to derive strong and comprehensive findings to validate the results. Therefore, it is recommended for future studies to consider more sample-size for future studies so as to eliminate the probability and chances of bias from the research work (Kumar, 2018).
- Along with this, the survey method is applied to future studies can be efficient in terms of accurately evaluating the scientific findings to generate more valuable and accurate results for improving the reliability or trustworthiness of the results (Kumar, 2018).
- The case-studies can also be undertaken in regard to perform an in-depth evaluation of the particular cases of the organisations so as to evaluate the importance of compliance in more realistic way. In this manner, case-study method can be integrated into the research to have more realistic insight into the research findings.

- It is further analysed that the future research in the current subject area can be organised in the direction of considering a particular type of business sector such as finance or the food and beverage sector. The present study is not organised in specific regard to an industry or business sector, and it discusses general data findings revolving around the compliance policies that can be discussed in a more focussed manner in future research works.
- It is also examined that the current research is executed in the context of the primary method such as interview that provides real opinions of the respondents. However, in order to perform detailed research in the light of the key facts surrounding compliance models and theories, it is suggested to apply secondary research in the future works in the form of a systematic review.

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Appendices

Appendix 1: Interview Questions

Q1: Would you like to share your conceptual knowledge regarding the compliance and ethical performance?

Q2: What factors according to you help in improving the effectiveness of the compliance as a useful tool?

Q3: What is the impact put by compliance on the safety and health employees within an organisation?

Q4: What factors can help in improving the efficiency of compliance towards enhancing the ethical performance of business companies?