Taking the Pulse: Ethics and the British Cooperative Bank

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ABSTRACT. Policy statements on ethical issues abound. If all organisations which produce mission statements, codes of practice or ethical codes were, therefore, ethical in conduct and performance, business ethics would be non-problematic. However, the effectiveness of corporate codes of ethics is dependent, inter alia, on the day-to-day behaviour of managers.

Interest in the impact of ethical codes and mission statements on managerial behaviour has grown in recent years. The assumption underlying this paper is that one way of enriching our understanding of the ethical behaviour of managers is to focus on actual behaviour in real organisations.

This paper reports the findings of a research project aimed at discovering the extent to which the British Cooperative Bank's Ethical Policy influences the behaviour of those managers at the Bank who are responsible for achieving the Bank's objectives in acquiring new business in the corporate market.

It seeks to explore the impact of the Bank's Ethical Policy on the day-to-day behaviour of a significant group of the Bank's managers.

Taking the pulse: ethics and the British Cooperative Bank

Laura Nash (1991) asks "How to take the moral pulse of organizations whose workforce exceeds the population of small towns and whose operations are often spread over many geographic areas?". Although an ethics code or credo is significant way of giving life to an organisation's sense of commitment to an ethical standpoint, "The exact connection between codes and behaviour is not established" (*op. cit.*, p. 1).

It would indeed be a brave person who claimed to have established the nature of this link. However, it is the elusive nature of the link which makes it an attractive area of study.

Interest in the impact of ethical codes and mission statements on managerial behaviour has grown in recent years (Premeaux and Mundy, 1993; Cohen *et al.*, 1993; Delaney and Sockell, 1992; Clutterbook *et al.*, 1992; Stead *et al.*, 1990; Fritzsche and Becker, 1984). The assumption underlying this paper is that one further way of enriching our understanding of the ethical behaviour of managers is to focus on actual behaviour in real organisations and to develop case-studies which test principles and concepts.

This paper reports the findings of a research project aimed at discovering the extent to which the Cooperative Bank's Ethical Policy (see Appendix 1) influences the behaviour of those managers at the Bank who are responsible for achieving the Bank's objectives in acquiring new business in the corporate market. It seeks to explore the impact of the Bank's Ethical Policy on the day-to-day behaviour of a significant group of the Bank's managers.

Successful ethics

The Cooperative Bank is a commercially successful organisation with strong roots in cooperative values and history and with a high-profile stance on ethical issues. It operates in the

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competitive financial services market, the locus of several significant financial scandals, and it does so successfully and at the same time promoting itself very clearly as an ethical organisation.

The Bank's marketing strategy has been a classic niche marketing exercise with a strong emphasis on the cooperative values which created the Bank and provide its dynamic in modern times. Its Ethical Policy provides a tangible outcome of a marketing strategy which has built upon the traditional values of the British cooperative movement and shaped the Bank's current promotional stance.

Davis and Worthington (1993), in writing about the Cooperative Bank within the context of traditional cooperative values, argue that the Bank's commercial strategy and its market positioning have resulted in a confident re-statement of cooperative values within a highly receptive, if relatively small, sector of the financial services market.

The Bank is convinced that its ethical stance has been good for business. Its 1992 Annual Report states (pp. 6–7) "There is an increasing awareness of ethical issues in the U.K. and a broad spectrum of customers and potential customers would prefer to bank with a financial institution which has developed its customer service to this level of awareness." It goes on to claim that "The Ethical Stance is consistent with customer perception of The Cooperative Bank and represents a clear point of differentiation from its competitors."

The success of the Bank's strategy is reflected in the increase in operating profits (up by £11 million to £53 million in 1992) resulting from higher revenues from a depressed financial services market. Lynn (1993) asserts that the improved performance of the Bank "was the outcome of the bank's new ethical policy." (p. 44)

Also, increased revenue is only one of the causes of higher profitability. The Bank has also been bearing down on costs – particularly in relation to bad debts. However, the enhanced profitability of the Bank is a more complex phenomenon than simply a product of its ethical stance and reduction of bad debt. The Bank has introduced new products, new methods of providing customer service based on considerable investments in new technology, a Total Quality Management programme and a process re-engineering programme which has resulted in some down-sizing and delayering of the Bank's staffing structure.

COOPERATIVE BANK plc

ORGANISATION STRUCTURE & KEY FUNCTIONS

MANAGING DIRECTOR
T. J. Thomas

- Retail Banking (Customer Sales)
  - Corporate
  - Personal Sector
  - Transmissions Sales
  - CBFA
  - Group Marketing
- Retail Banking (Customer Service)
- Transmissions
- Group Finance
- Group Resources

Diagram A.

The organisational context

The managers operate within an organisation which has an "official" description which is reproduced in the organisation charts, job descriptions, remuneration systems and other organisational policies of the Bank.

Diagram A indicates the organisation structure of the Cooperative Bank as in October 1993. It is included here to indicate the place of the Retail Banking (Sales) Division within the corporate structure.

Diagram B indicates the structure of the Retail Banking (Sales) Division as in October 1993).

Senior Commercial and Commercial Managers operate within this division. They are located at branches, known as Commercial Units, of the Bank.

The Job Profiles of Senior Commercial Managers (SCM) require the SCMs to liaise with a wide range of other managers in the Bank in order to ensure the provision of services to clients within a particular geographical area. They involve achieving targets for sales and services, generating new ideas for product and service enhancements, maintaining and developing client relationships, coordinating the work of subordinates, lending within their levels of discretion and preparing proposals for submission to credit assessors within the Bank.

The Job Profiles also provide details of the knowledge base required by SCMs. The knowledge required is weighted (from 1–3, with 3 being the most important). Knowledge about the Bank's ethical stance is weighted as "2".

The Commercial Manager's Job Profile indicates their role in working with the SCM to ensure that business plans are devised and targets met, the importance of maintaining good client relationships, managing staff, lending within their discretionary limits and preparing proposals for submission to credit assessors. Knowledge of the ethical stance is weighted at "2".

Each Commercial Unit covers a given geographical area and the number of SCMs and CMs varies in accordance with the amount of the business being carried out in that area. The remuneration of the managers is based on a structure with 3 elements. There is a basic pay element which is derived from the Bank's Grade and Salary Structure. There is a Christmas Bonus paid to all staff and, from 1993, an element derived from the Bank's Performance Management Appraisal (PMA).

RETAIL BANKING (SALES) DIVISION

EXECUTIVE DIRECTOR

FINANCE

CREDIT MANAGEMENT

- Leading policy
- Credit strategy
- Advances
- Securities
- Recoveries & intensive care
- B of E regulations

SUPPORT SERVICES

- Resources
- Projects
- Quality/SLA's
- Premises
- Training

CBFA

- Sales force management
- Business development
- Lead conversion
- Sabre liaison

MARKETING

- Bank group positioning
- Product development
- Pricing
- Productions
- Public relations
- Market research

BUSINESS DEVELOPMENT

- Central corporate relationships
- National relationships (key sectors)
- Product specification and costings
- Telesales
- Transmission sales
- Task force
- Financial director

CORPORATE BUSINESS
– North region
– Midlands region
– South region

- Corporate network management
- Relationship management
- Business development
- Lead generation

PERSONAL BUSINESS

- Sales network management
- Business development
- Lead generation
- National relationships (personal)

Diagram B.

PMA is aimed at creating "a performance oriented culture which will improve the Bank's position in the short, medium and long-term" (PMA User Guide p2). It has five performance principles:

- Maintain a competitive base salary (the job rate) for on-target performance.
- Pay people up to and at the job rate for on target performance.
- Reward above target performance by means of additional payments.
- Recognise the importance of learning and development within a job by encouraging progression towards the job rate.
- Continue to employ on target performers and take action to ensure that everyone meets these standards.

Rewards to staff can be developmental and monetary. "How this works is that the Corporate Plan sets out the strategic direction of the Bank on a three year rolling basis. The annual Group budget, Divisional Profit and Operating Plans translate this into targets for the current year. PMA turns targets into actions and actions into results. It pays for results and identifies any training and development that is needed to help people get even better results in future." (Ibid. p. 2)

The bank's salary structure indicates the starting salaries for jobs at identified levels and a "job rate" which is achieved through annual increments. To continue to be paid at the job rate requires the achievement of agreed performance targets. Performance above agreed targets will result in payment above the job rate.

The Bank's recruitment policy has changed in recent years. The established practice, in common with other commercial banks, had been to "grow" managers from internal sources. In recent years, the tendency has been to recruit more managers at a younger age from external sources. This is reflected in the findings below.

The job content of the SCM and CM have been radically affected by internal organisational change. These changes have aimed at developing centralised provision for customer services, incorporating, for example, the armchair banking service (telephone banking), the provision of centralised administrative support for non-personal accounts and the introduction of "Financial Director" which is a real-time office finance system used in the Commercial Units (branches). The overarching aim of these developments has been to reduce the impact of day-to-day administrative demands on branches and to release branch-based SCMs and CMs from routine administrative chores to enable them to manage their client relationships more effectively.

The research findings

A total of 17 managers from 10 different branches were interviewed in their offices using a written schedule (see Appendix 2). Responses were recorded during the interviews. The ten centres were selected to represent the geographical spread of the Bank's operations.

When examining the research findings, it is important to note that for many questions managers were not limited in the number of responses they could make, hence in several instances the recorded responses exceed the number interviewed. From the total of 17 managers interviewed 10 were Commercial Managers and 7 were Senior Commercial Managers. Thirteen managers had been previously employed by a different bank. It should be noted that only two of these managers came from small banks. Most of them had experience of working for the larger clearing banks.

Job content

The purpose of this section is to identify the major components of the managers' jobs so that their responses, to the request to identify which parts of their jobs are influenced by the Bank's Mission Statement and Ethical Policy, can be placed within the organisational context as experienced by the managers.

Managers were asked to identify the major components of their job. It is significant that, from the self-reported job content, the differences between Commercial and Senior Commercial Managers were not significant. This appears to reflect the heavy reliance on teamwork and trust at branch or centre level and the deeply shared assumptions about the purposes of the corporate and commercial work of the Bank. Table I indicates the managers' self-reported job components and the frequency with which each component was reported.

TABLE I

Component	Frequency
Maintaining a portfolio of commercial accounts	15
New Business Development	14
Managing subordinates	7
Training and development	5
Meeting targets	3
Cross selling	3
Troublesome accounts	1
Team leader/motivator	1
Ensure things work	1

Clearly, the predominance of the first two elements, which are strongly interrelated, indicates a widely held view about the purposes of the job. This reflects the Bank's perception of the nature of the commercial management function as indicated in the job descriptions of Commercial and Senior Commercial Managers.

The focus for the managers is fundamentally based on target achievement within the context of competitive commercial banking.

How the ethical policy influences job performance

Managers were asked to indicate which parts of their current jobs were influenced by the Bank's Ethical Policy. Table II summarises their responses.

TABLE II

Response	Frequency
All aspects	9
New business	11
Existing customers	3
Little impact	2
Partial affect	1

There was a clear view amongst the majority of managers that the Ethical Policy had proved to be very successful in attracting new business and had played a major role in the commercial and corporate sector of the Bank's work. Three managers reported that existing businesses within their portfolio had been affected by the introduction of the Ethical Policy – some business had been released by the Bank as a result of a search of existing customers to check their compliance with the policy.

Incidents

The influence of the policy was further investigated by asking managers to identify incidents in which the Bank's Ethical Policy had helped them in arriving at a decision about a particular client. Incidents which were reported included:

- a chemical waste company applied for loan facilities; the manager was concerned about the processes involved but further investigation reassured him that the processes were sound and environmentally acceptable
- a group of hunt saboteurs were asked to withdraw their business when they failed to give reassurances about being non-violent in their approach
- an incinerator business was investigated in more detail than would have been the case without the existence of the policy
- the Bank's policy not to speculate against sterling in the foreign exchange market enabled a manager to obtain additional business from charitable organisations
- a manager used the policy to point out to a business that the attempts by that business to evade tax were against the Bank's policy
- a factory farming business was investigated in great detail and found to be operating within the spirit of the Bank's policy
- a waste disposal company was investigated and, after consultation with the Bank's head office, approved
- a political organisation was asked to produce a copy of its aims and rules and were asked to confirm that they would not be involved in illegal or violent action

- a company wanted finance for a venture involving the processing of chicken manure to produce electricity; the manager was concerned about the links with factory farms from which the manure would need to be obtained; the business was approved
- a charitable trust wished to deposit large credit balances at the Bank, however the Chairman of the trust was heavily involved in organising bird shoots and wanted to put the family accounts into the Bank, his wife already had an account at the Bank; the manager felt that the Ethical Policy raised the issue but did not provide an answer and he referred the matter to Head Office
- during a "sweep" of existing accounts following the introduction of the Ethical Policy, a manager became concerned about an account with an abortion clinic; he referred the case to Head Office
- a manager reported a case, currently under investigation, of a company making lipsticks some of the raw materials for which are tested on animals; the company making the lipsticks does not itself do the testing on animals; the company is not doing very well and the manager is concerned that no other bank would be willing to take on the business if the Bank decides to ask it to withdraw its account
- one manager reported that from a "sweep" of 5,000 accounts at his branch 12 or so had been "re-banked" (ie asked to withdraw their account)
- a manager who targets business in the working mens' clubs sector was concerned that there were many smokers in these clubs, buy as they were not involved in the manufacture of tobacco products their business was acceptable
- a manager turned down a substantial new account because it breached the bank's code on the environmental impact of the business
- a battery hen operation was refused facilities by a manager because it breached the Ethical Policy; this manager indicated that his decision may have been different if, later in the financial year, he had not been hitting his targets for new business
- a sports organisation approached the Bank for accounting services; this organisation was partly sponsored by a tobacco manufacturer; the managers' view was since they were not involved in the manufacture of tobacco and since the cooperative retail organisations also sold tobacco products, the business was acceptable
- a public company put one of its businesses into receivership and wished to put it back as an attempt to evade tax, the manager declined to grant loan facilities
- a manager was concerned that an approach from a part of the Territorial Army might have been in breach of the code; the business was approved.

From the 19 incidents reported, six managers checked with the Corporate Affairs Unit in the Manchester headquarters of the Bank for advice and guidance, eight felt compelled to carry out further detailed investigation into a proposition because of the existence of the Ethical Policy.

Seven managers reported no incidents at all. All of the above cited examples came from the remaining ten managers. Two managers indicated that their decisions were affected by commercial realities – one was concerned that no other bank would take on a business which he felt he wanted to be rid of because it breached the policy and one admitted that a decision might have been different if he had been below his financial targets.

It is clear from the above that a significant number of managers have been influenced in their behaviour by the existence of the Ethical Policy. It is also interesting to note that even where a particular case does not directly breach the Ethical Policy as it is written, some managers feel that they need to apply the spirit of the policy as they see it. This applies in the case of the hunt saboteurs and the political organisations mentioned above.

Someone to turn to?

Managers were asked whether there was someone at the Bank for them to turn to if they had a problem of an ethical nature. This question did not refer specifically to the Ethical Policy but to ethical issues generally whether or not they were incorporated in the policy. Two managers stated that there was no-one to whom they felt they could turn for ethical advice or guidance. These were the exception. Twelve indicated that they would turn to the Corporate Affairs Unit at Head Office and eleven felt that they could discuss ethical problems with colleagues at their own branch.

Ensuring conformity

The methods used by managers to ensure that their investment or client related decisions conform to the Ethical Policy produced a variety of answers. The Bank's procedures require confirmation that the Ethical Code has been discussed with any new client and managers' discretionary limits are set so that the larger advances are dealt with by head office staff. The Bank also requires an annual review of each existing account. However, within this general framework managers appear to exercise their discretion in different ways.

One manager felt that this was not a real issue. Another stated that he discusses the Policy with a new client and relied on the client to disclose relevant information. Other approaches included the view that the Ethical Policy was quite specific and conformity with it was unproblematic – it was clear when a client did or did not conform.

Nine managers stressed the importance of analysing the work of a company in some detail. Five indicated that they always met with new customers and the Ethical Policy was always discussed with them. However, two stated that small accounts were usually dealt with solely on documentation. One manager took the view that whether or not a client conformed to the Policy was usually obvious from the nature of the clients business or operations. The role of the annual review was mentioned as significant in this context by nine managers.

Since the exercise of discretion is always likely to lead to different approaches and outcomes, the variety of approaches indicated above is possibly remarkable in the sense that it does not demonstrate widely different approaches being taken. The major difference appears to be the extent to which managers rely on clients to disclose information. However, experienced commercial managers with successful track records are unlikely to be easily misled.

The managers' personal views

The managers were asked to identify which parts of the Ethical Policy were most important to themselves personally and which were least important. They were not limited in the number of items which they could identify in either category. One manager was not able to identify any section as most or least important to himself. Table III summarises the responses.

TABLE III

Ethical policy section	Most important	Least important
1. Oppressing human spirit	9	–
2. Oppressive regimes	3	–
3. Environmental impact	7	1
4. Ethical customers	1	–
5. Speculation against sterling	3	5
6. Money laundering drug trafficking tax evasion	2	1
7. Tobacco manufacturers	2	6
8. Customer charter	2	1
9. Animal experimentation	5	2
10. Factory farming	2	–
11. Animal fur	2	–
12. Blood sports	3	1

The very high level of identification of the first section of the Ethical Policy as personally important is worthy of note. When pressed to identify any regimes or organisations which fell into this category, respondents found some difficulty in doing so. It is also interesting that significant numbers of managers regard the Bank's stance on tobacco manufacture and speculation against the pound as not significant parts of the Policy.

Managers were clearly more able to identify elements which they personally regarded as very important than they were to identify the least important elements.

The overwhelming response to the question "Does the Bank's ethical stance accord with your own personal, ethical or moral views?" was positive. Eleven stated "yes" without qualification. Two indicated "yes" but felt that interpretations of aspects of the policy might differ between managers. Two indicated "yes, generally speaking". One claimed to have an open mind on this question and another was undecided but felt that some aspects of the policy went further than he personally might feel disposed to go.

The general support for the Policy probably has two major sources. First, the Bank, in developing the policy consulted widely with customers and staff and found considerable consonance between the values of both groups and the cooperative values which formed the basis for the Ethical Policy. Second, managers were very clear that the Policy was an important part of the Bank's market positioning strategy and that it was instrumental in helping them to achieve the targets set (see the responses to the next question).

Sixteen managers responded positively to the question "Does it help you to gain clients?". The 1 not responding positively felt that the policy might have helped him, but not directly.

Managers predominantly felt that the ethical policy made no contribution to their ability to manage their staff. Eleven answered with a clear no to the question "Does it help you in your management of staff?". However, 5 felt that it did help with the management of staff because it helped in the development of a shared set of values making leadership and control of staff less demanding for themselves. One was not sure.

To the question "Does it help you in relating to your superior?" Thirteen answered no and 4 answered yes. Most managers reported that the ethical policy was less important in this context than organisational goals focused on targets and personal relationships with their superiors.

Claims made about the effectiveness of corporate codes and mission statements (see Campbell and Tawadey, 1992) emphasise their role within the corporation of creating the conditions for effective leadership and direction of staff by managers. It is not clear in this case whether the Ethical Policy does help significantly in this area of the managers' jobs.

The question – "Are there any aspects of the Code you would like to change?" produced a wide range of responses:

- Six managers did not want to change anything in the code
- One did not wish to change anything but was personally more relaxed about some of the matters mentioned in the code
- Two felt that the reference to tobacco manufacturing should be taken out.

There was a large number of individualised responses which produced the following statements:

- any extension of the ethical policy would require greater specificity or be more widespread in its coverage
- the statement is rather long-winded and could be reduced to 5 paragraphs with a strong emphasis on the customer charter
- the code has to be ever-changing, the detail is less important than the general statement
- the code should be more down to earth and include categories such as cleaning up the streets
- the Bank should run diesel cars if it is genuine in its concern about the environment
- endangered species should be added to the list
- issues of race, ethnicity and creed should be included
- alcohol should be included along with pharmaceutical products if tobacco is included
- issues such as family instability and law and order issues should be included
- there should be clarification of the tax evasion and tobacco manufacturing parts of the policy.

Most managers (11 out of the 17 interviewed) did wish to propose changes to the Ethical Policy. This does not imply a general dissatisfaction with the Policy. It does, however, show that these managers felt that improvements in the Policy could be made. There was a general perception amongst the managers interviewed that they would not be able to influence the content of the Policy and that the processes involved in making changes were distant from their own working experience in the Bank

Hypothetical circumstances

Each manager was asked to indicate what he would do if:

(a) one of the companies in which you invest goes bankrupt
(b) one of your clients was convicted of drunk driving
(c) a direct competitor of one of your existing clients approached you for a loan.

In relation to the first hypothetical circumstance, 15 managers responded that they would instigate the Bank's receivership procedures. Two indicated that they would attempt to avoid this situation arising by being alert to developments and intervening to help the company before it got to the stage of receivership.

Four believed that the Cooperative Bank would be more sympathetic to the company than would other banks but 6 stated that they felt that the Cooperative Bank's approach would be the same as any other commercial bank and this meant acting to protect the Bank's interests. One manager, without prompting, stated that the Bank's ethical policy was not relevant to this situation. No other manager mentioned the ethical policy in relation to this question.

Responses to the second hypothetical circumstance showed a similar degree of uniformity. Twelve managers indicated that their major concern was simply the impact of the drunk-driving case on the client's ability to run the business and 4 indicated that they would do nothing.

Two felt that they should not make a moral judgement but 7 indicated that such an incident might affect their personal relationship with the client involved. The third hypothetical circumstance produced a wider variety of responses than the earlier two. Although, the predominant view was that commercial considerations would be the major factors in a decision, different reasons were given to support this view. Six managers felt that the new business should be taken because if they did not someone else would. Two argued that it is a competitive business world in which they operate and that this justified taking the new business on.

However, one manager asserted that he would definitely not take the new business because of the danger of having intimate knowledge of two competing clients. He felt that this ran counter to the underlying values of the ethical policy even if such matters were not explicitly included in the published statement. Two felt that if there was a conflict of interest they would turn the new business away. One manager would give the decision to another colleague not personally involved with either business but went on to say that he would try to influence this colleague's decision. Another adopted the approach of turning down the new business but encouraging the existing one to repay the bank loan as soon as possible to protect the bank from any future decline in the fortunes of this business as a result of new competition.

Three managers introduced the bank's duty of confidentiality into the discussion. One of these stated that he felt that the question posed was not an ethical one because it was covered by the duty of confidentiality which meant the new business could be taken on without alerting the existing client because the bank is bound by the duty of confidentiality not to tell clients about other clients business. The other two simply stated that the duty of confidentiality meant that they should examine the new proposition purely on commercial grounds.

The responses to the hypothetical circumstances indicate that managers would approach such cases on the basis of the established procedures of the Bank, based on traditional banking practices as applied within the Cooperative Bank. The Ethical Policy does not provide clear guidelines to managers about what to do under the various circumstances. It is not intended to. There are rules, regulations and traditions which managers draw upon in such circumstances.

Conclusions

Has the Ethical Policy made any difference to the way in which managers perform their duties? At one level, it is possible to argue that the Policy has had a significant influence on behaviour within the Bank. Its procedures require managers to confirm that each client, especially possible new ones, are aware of its Ethical Policy and job profiles indicate the need for managers to have knowledge of the Policy. There was also a high degree of awareness of the existence of senior staff at head office in Manchester who could be consulted about particular problem cases. The Bank appears to have been successful in integrating the Policy into its processes.

However, within the complex and rapidly changing internal organisation of the Bank, it is difficult to establish the precise influences which the Policy has on managerial behaviour. Other factors, such as the process re-engineering, downsizing, vigorous marketing strategy and the new performance management system, are just as likely to have influenced managerial behaviour.

Further, the traditional cooperative values of the Bank, which is an integral part of the cooperative movement, are felt by the managers to be significant in influencing the culture of the organisation and the behaviour of managers towards customers and colleagues. The Bank could argue, with considerable justification, that its Ethical Policy is simply a market-oriented re-statement of these traditional values.

The managers do feel that the Policy has had a major impact on their ability to attract new business amongst the target groups (educational establishments, professional bodies, charitable organisations) and has provided an entrée into discussions with these groups. However, they also take the view that the Policy is effective in this regard only in so far as it is supported by efficient, helpful and effective services provided by the Bank.

The Ethical Policy does not appear to have significant influence on behaviour in areas which the managers regard as covered by traditional banking practice. This is illustrated in their response to the hypothetical circumstances. In these circumstances, the more traditional banking virtues of confidentiality were seen as predominant in influencing their behaviour.

Chadwick (1993) argues that one danger of professional codes of conduct is that the behaviour of the person affected by the code loses autonomy. The code becomes a replacement for independent moral action. In the case of the Cooperative Bank's Ethical Policy, this does not appear to be happening. The Policy is significant in marketing terms and is seen as helpful for managers in achieving targets. It does not dominate their thinking. Other values, beliefs and attitudes intervene in mediating the code. The more traditional banking values, particularly of confidentiality, are used by managers in justifying their behaviour more frequently than reference to the Ethical Policy.

Finally, the Ethical Policy is the product of decisions to include certain features and, necessarily, to exclude others. The Bank is committed to reviewing and changing its policy in the light of changing circumstances and the changes in the values of its customers. As indicated above, most of the interviewed managers wished to propose some changes to the Policy although each managers' individual proposal would not result in major changes of emphasis. However, most of the managers were not aware of the procedures for review and change. Their sense of ownership of the Policy as a marketing tool is considerable. Their use of it in other areas of work and their feeling of influence over its content are limited.

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