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Factors That Shape Bankers' Ethical Performance

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Abstract: Since the banking crisis of 2007, there has been renewed interest in the constitutes of professional ethics in the banking industry as well as its imbedded culture. The public continues to be sensitive on matters relating to ethical and corporate governance failures, and the banking industry has been at the receiving end of some strong ethical criticism. Yet, a decade after the crisis, and despite the subsequent regulatory changes, ethics is still a major issue in an industry where the corporate governance systems implemented by companies have failed to control employee behaviours, even in companies branding themselves as ethical banks. In this paper, we study factors inside and around institutions in the banking industry, that impact on moral anomie in bankers' professional environment. We apply an Ordinary Least Square regression analysis, preceded by exploratory and confirmatory factor analysis, to test the hypothesised relations between anomie and the factors proposed. Our results show that long-term orientation, strategic aggressiveness and competitive intensity do have an influence on anomie. These results are compared to previous research applied in non-financial industries, and prompt the strengthening of corporate governance systems in companies with aggressive corporate cultures.

Keywords: Anomie, Bankers' Behaviour, Banking, Competitive intensity, Ethical culture, Long-term strategy, Strategic aggressiveness.

Word count: 6,613.

1. Introduction

Corporate governance plays a crucial role in the direction businesses take as well as the ways in which they operate and are controlled. Through its principles, it seeks to guard against conflict of interest, misuse of assets, and protects the interests of shareholders as well as those of other stakeholders. In order to achieve this goal, the board of directors counts among its remit setting the long-term strategy, purpose, and vision of the company; formulating and implementing a governance structure, system of accountability, and control procedures; ensuring the legal and regulatory standards are met; and setting operational standards and values – including ethical and corporate social standards. The failure to set up an effective corporate governance system often leads to great consequences including agency costs for significant loss of trust and reputation due for example to the presence of anomy and ethical failures.

Anomie is a phenomenon that is consistently observed in environments that experience ethical failures (Mansfield, 2004; ;). It is defined as the absence or disregard of moral value in a social setting (that creates a moral vacuum, causing people to be disconnected from society and its moral principles during decision making (Tsahuridu, 2006). Anomie in the corporate environment is linked to the deterioration of moral standards in an organisation where employees are strongly incentivised or pressured to replace societal values with financial value as their decision making compass (Himmelfarb, 1996; Lindholm, 1997).

Considering the incentives and pressures to perform at work, the importance of this study is to provide an understanding of the factors leading to anomie in order to prevent or minimise the anomie risk in the firm and support directors in their roles when formulating an adequate corporate governance systems. Such knowledge will provide an opportunity to strengthen governance policies in organisations and provide better guidance for future regulatory changes.

Furthermore, despite the growing number of publications on anomie at work (;; , not many studies use an industry-specific approach. Considering that industries differ in characteristics, in structure, and in terms of factors influencing their dynamics, as well as their exposure levels, applying an industry-specific approach to the study of anomie would result in an output that is more relevant for decision-makers and regulators in the industry concerned.

While providing a reminder of the ethical challenges in the banking industry, the recent decade has reinforced the perception that anomie is entrenched in the industry and that the corporate governance systems implemented by banks are not adequate. Considering the significant influence of the banking industry on our economies and the great pressure it is under to perform economically, it is important that normative controls are kept in place and respected in order to avoid crises caused by industry-wide anomie. However, despite the public indignation following the economic crisis and its ethical scandals, and despite the fines that are repeatedly issued in the industry, the governance systems and control procedures in the banking industry have still not been successful in their purpose of ensuring firm-wide adoption of the values and standards publicised in their respective annual reports and codes of ethics. As a consequence, 10 years after the banking failures, evidence in the fines issued by the FCA over the years show that governance policies have not been conducive to ethical business practices in the industry.

In this paper, the relationships in the banking industry between anomie and each of the factors – strategic aggressiveness, competitor orientation, competitive intensity, long-term orientation, and client vulnerability – are examined. The study builds on different previous studies on anomie in the workplace as four of the factors studied are derived from the literature. These four factors are: strategic aggressiveness, competitor orientation, competitive intensity, and long-term orientation. This research applied in the banking industry, therefore, also allows for a comparison to be made with Johnson et al.'s (2011) findings to determine whether the factors influencing anomie in organisations differ from industry to industry, as well as whether the magnitude of influence of the factors Johnson et al. (2011) considered also differ when they are observed in a different industry.

2. Literature Review

In previous decades, ethics has been one of the biggest challenges of the financial industry, and banks in particular. Paradoxically, the banking industry is regulated by strict standards and its success is built on a set of traditional values reflecting the importance of trust and security in financial transactions. According to Dobson (1997) and contrary to common belief, rather than constraining the profitability of a firm, moral standards are "rational mechanisms" that provide a platform to maintain and strengthen relationships between parties. These relationships ensure a stream of revenue for the financial institution that would be lost if the firm acted illegitimately to reach higher short-term profit. The board of directors' task of establishing values and standards is of significant and strategic importance as the chances of achieving long-term and sustainable financial success are greater when the values and standards endorsed are implemented throughout the business, along with the long-term vision and strategy formulated at board level.

Noticeably, the banking industry has been subject to changes over the last few decades. These include the appearance of a bonus culture, which rewards employees reaching commercial targets regardless of the means; the increased pressure due to the higher performance expected year to year; and the loosening of moral supervision due to deregulation (Koslowski, 2011). These changes, as well as the "too big to fail" status, are blamed for the decline in ethical standards and the abandonment of traditional banking values(Buckley, 2011). In concurrence with this idea, Mansfield (2004) argued that employees under pressure or those who are highly incentivised to perform in an organisation can be led to adopt illegitimate means to reach goals they could not reach within the ethical and regulatory boundaries. His arguments are confirmed by recent ethical issues such as the Libor-gate and reported improper sales practices, which indicate that deviant actions are performed at a considerable scale in a banking industry that is highly incentivised and where targets are raised yearly, from previous performance levels, regardless of market economics. This signals the presence of anomie

Additionally, Fromm (1942, in Tsahuridu 2006) suggested that the rise of neo-classical economics also has contributed to the deterioration of ethics in business, and Bernburg (2002) noted Durkheim's assertion that anomie may develop due to a normative regression caused by industrial and economic activity. In an industry where a policy of deregulation is being implemented, the "normative framework" provided by society's moral values remains the only regulator of employee desires. A regression of this normative framework will therefore leave unregulated the self-centred desires of employees. This idea echoes Lindholm's (1997) argument that capitalism encourages an "endless accumulative frenzy", and highlights Durkheim's (1951) claim that under anomic conditions, people perpetually seek more and more self-oriented gains. Fittingly, Himmelfarb (1996) observes that it is when economic value is given priority over moral values and virtues that anomie develops. As the operations of a firm should reflect and be influenced by its corporate governance system, an anomic environment can therefore only occur in two scenarios. Either the corporate governance system is not effective enough, therefore meaning that the board of director has failed in its role of providing a robust system; or, in practice, and in contradiction to official communication, the boards of directors tacitly prioritise economic value, at the expense of their duty of enforcing and controlling the moral standards within the business.

The idea that capitalism and economic activity are related to anomie reappears in Johnson et al.'s (2011) study in the US manufacturing industry. This study focuses on the relationship between anomie and competitive intensity, competitor orientation, strategic aggressiveness, long-term orientation, and client vulnerability.

Proposition I: Competitive intensity

Competitive intensity relates to the severity of the rivalry among firms in a given industry. Competitive intense industries, are distinguished by companies that are capable of neutralising or very rapidly equalling any competitive advantage their rival has,causes the relative advantage between firms to not last long (Zhou et al., 2005) and product life cycles to shorten due to a faster product development pace. Jaworski and Kohli (1993) suggest that competitive intense industries are characterised by constant price or promotional wars, short-lasting competitive advantages, or constant pressures to formulate and implement new competitive strategies in order to gain, maintain or cancel an advantage.

This constant pressure to beat or match the competitor was found by Johnson et al. (2011) to have an impact on behaviours.

Furthermore, the rise of anomie in the industry may be exacerbated by the gradual development of implicit collusion among competitors similar to the 2012 UK Libor manipulation case. Menezes and Quiggin (2012) suggest that the impatience to swiftly close the gap can indeed lead companies to collusion, especially where the number of competing firms is low. In cases where the industry-leading firm implements operating methods that disregard moral principles without an adequate deterrent, trailing firms in competitive intense industries will be highly likely adopting the same operating methods, which will cause anomie at a single firm's level to evolve into a systemic problem that leaves a whole industry vulnerable. Such operating methods adopted by banks in the run up to the banking crisis included the abandonment of traditional banking values at board level, the introduction of the bonus culture, the higher performance expected year on year and limited tolerance towards the failure to achieve those even when they are unreasonable, and finally the lack of desire to sanction rogue employees that perform well in reaching their targets.

The Cooperative Bank and Standard Chartered in the United Kingdom, both branded as an ethical banks, represent the perfect illustrations of how banks with strong perceived ethical intent can succumb to the pressures of intense competition, and abandon their values by respectively being involved in the Payment Protection Insurance scandal and by failing to comply with the anti-money laundering legislations. In each these failures, as well as that of the Labor rate manipulation, other banks were also found to be involved, therefore evidencing that these were not isolated nor contained within one firm only.

Proposition I: Intense competition in the banking industry is related positively to anomie in banks.

Proposition II: Competitor orientation

Competitor-oriented strategies are formulated around the actions, as well as the strengths and weaknesses, of competitors. Short and medium term strategies formulated with great emphasis on the characteristics of competitors rather than a focus on the long-term strategies formulated by the board of directors and incorporated in the governance systemmay lead the firm to a state of anarchy (Day and Nedungadi, 1994; Johnson et al., 2011)due to the possible lack of real continuity and complementarity, especially when strategies have been implemented without prior in-depth analysis of how they fit together and how they lead the company to meet the long-term goals set by the board of directors.

Firms that implement competitor-oriented strategies invest greater time and effort in gathering knowledge about the strengths and weaknesses of their competitors (Day and Nedungadi, 1994). To adopt such strategies, firms need their employees to provide intelligence on the competition's actions in the marketplace (and Slater, 1990). According to Narver and Slater (1990), the speed of the reaction is paramount to these firms, as their constant eagerness to respond rapidly to competitors' actions reflects. Finally, firms that are competitor-oriented are recognisable by the strategic emphasis their top management puts on gaining awareness of the strengths of rivals and regularly discussing them (Narver and Slater, 1990). To implement such strategies, a constant monitoring of the competitor is required.

However, the reactive approach of firms implementing competitor-oriented strategies may often lead them to either imitate the policies of the competitors targeted or to make insignificant improvements to the competitor's blueprint in order to create an advantage. According to Johnson et al. (2011), the directions and decisions of firms employing competitive-oriented strategies are in fact "dictated" by the competition instead of the vision clearly defined and targeted by the firm's board of director.

Gaps may therefore appear between the strategies implemented in the day-to-day running of the business and the long-term strategies decided upon at board level. Overtime, companies using similar strategies find themselves with a collection of incoherent and paradoxical strategies being executed, for example, by different departments at the same time. The possible results of a competitor-orientated

strategy are uncertainty and confusion, which may increase the likelihood of anomie (Johnson et al., 2011).

Proposition II: A competitor-orientated culture relates positively to anomie in banks.

Proposition III: Strategic aggressiveness

Strategic aggressiveness is a characteristic exhibited by companies that are vying to become industrial leaders (Johnson and Sohi, 2001). Aggressive strategies are described as a strategy reflecting high ambition and drive to employ potentially risky measures in an attempt to meet high-reaching goals. The aggressiveness of a firm can be used as an indicator of the resolve of a company to reach its objectives. The more uncompromising a company is towards reaching its goals, the more aggressive it is. While seeking dominance, strategically aggressive companies may also seek to cause as much damage as possible to the competition. Firms that implement aggressive strategies are therefore recognisable through their relentless pursuit and maintenance of competitive ascendency, their tenacity and motivation to become market leaders, their obsession for high targets and goals that test their own limits, the efforts and commitment of their staff, or their constant preoccupation with the creation of competitive advantage (Johnson and Sohi, 2001). Additionally, the management of these firms often engrains among their staff a winning attitude, success as a core value, and an emphasis on results and performance orientation (Campbell and Goritz,2014). According to Andrevski, et al.'s (2011) findings, companies that adopt such measures tend to constantly out-perform their rivals.

However, although the economic tendency for these companies is positive, they are also more at risk of setting unattainable goals, which results in pressure on employees and increases the risks of unethical behaviour and anomia (Johnson et al., 2011). According to the CFA Institute (2017), when valuing companies, analysts need to be wary and cautious when dealing with companies displaying certain risk factors that "indicate that the firm may be using deceptive accounting practices to obscure the firm's actual current or future performance". Among the risk factors analysts need to be sensitive to are: "pressure to make earnings targets, especially when combined with an aggressive management", and the firm's history of previous violation of regulatory/reporting issues, as firms with past violations may be likely to do it again.

The identification of aggressive companies as prone to act unethically by an esteemed institute in the banking environment, and the strong recommendation to consider these risk factors during the valuation process not only substantiate the belief that unethical practice, bad reputation and the suspicion of these negatively impact the values of a firm - which the board of director should guard against -; but also, validate the previously expressed idea that aggressively managed firms with unattainable goals and pressure on employees to make earnings targets are likely to experience an increase of unethical behaviour and anomia.

Proposition III: A strategically aggressive culture relates positively to anomie in banks.

Proposition IV: Long-term orientation

Long-term orientated companies are companies that implement strategies that have visions and objectives set by the board and are scheduled to be met further into the future. They favour stability, consistency, durability, and sustainability. For a company to be long-term oriented, it must foster "virtues oriented towards future rewards, in particular perseverance and thrift" (Hofstede, 2001). A particularity of long-term oriented companies, that sets them apart from other organisations, is there enduring fixation on long-term survival and long-term competitiveness instead of giving prominence to quarterly results. They define success as the achievement of long-term goals instead of the achievement of short-term profit. These are organisations in which employees and management are convinced that long-term success is more important (Johnson et al., 2011).

The focus on the long-term means that strategies implemented by long-term oriented firms are not measurable using short-term metrics, which is why the focus of businesses implementing these strategies is on building a more robust business in the long term rather than the maximisation of short-term revenues (Pesämaa and Hair, 2007). Long-term strategies therefore take pressure off employees

for the short-term while emphasising the strict compliance with regulation; short-term strategies emphasise short-term results, which increases pressure on employees to meet targets even when these are too ambitious considering the size and the growth prospects of the industry (Tellis et al., 2009; Johnson et al., 2011).The consequence of the latter perspective is that employees may find no alternative but to reach their targets and protect their career by any means necessary.

Proposition IV: A long-term oriented culture negatively relates to anomie in banks.

Proposition V: Client vulnerability

When considering buying a product or service, clients' decisions to buy or not often hinge on whether they trust the firm behind the product or service to deliver on its promises. Trust is considered crucial in any transaction, especially financial ones. Yet, the reliance on this fragile trust may put clients in a vulnerable position, particularly if they are unable to independently assess the real and comparative value of the products they buy, and therefore have to rely on the guidance and expertise of the salesforce. Indeed, Langenderfer and Shimp (2001) suggest that such trust may lead clients to gullibility, which in turn makes them vulnerable to mis-sales. Clients that cannot independently value a product, or that are not familiar with it, are therefore more "risk-blind" than are other clients during the buying process. In contrast, according to Huston (2010), individuals familiar with the product and its components, when given a choice, will have a particular behaviour and make expected choices, which shows familiarity, and in the end, creates satisfaction after the purchase.

In addition to familiarity with the product being bought, clients can be considered vulnerable when they have no idea what standard of service to expect, or when they cannot consult any independent source for information about the product or service they are looking to acquire, with the aim of verifying the claims of a salesperson.

Regardless of how vulnerable clients are, protecting and preventing unethical behaviour that would result in damages for customer falls within remit of corporate governance. The protective function of a corporate governance system is even more crucial to the board of directors considering the consequences ethical scandals have on corporate reputation and share price. This is also relevant to the financial industry, where the lack of financial literacy among clients was pointed out as a vulnerability during the 2007 crisis.

Proposition V: Client vulnerability in the banking industry is related positively to anomie in the banking industry.

3. Methodology

The research was conducted within the settings provided by the United Kingdom's Banking Industry. Bankers with professional membership in financial chartered institutes were targeted as participants for the survey.

During the design of the questionnaire, a qualitative approach was adopted in the form of consultations with two executive level managers in the UK banking industry, as well as experienced academics. All of the respondents involved at this stage were informed about the aim and objectives of the research, as well as the methodology that would be applied. The questions they were asked were related to the factors identified in the literature as influencing anomie and to specific factors that pertain to the banking industry and that are suspected to have an influence on anomie.

The data gathered from the senior executive managers brought forth particularities of the banking industry that make it so different from other industries, and also allowed the survey questions, constructs, and proposed model for the measurement anomie in the banking industry to be fine-tuned in order to reflect the realities and characteristics of the banking industry and its operations. The experienced academics were subsequently consulted following the involvement of the senior executives in order to maximise the questionnaire's reliability. Finally, a pilot study of the questionnaire

was performed. Fifty-four bankers, representing different seniority levels, were identified as respondents in the pilot.

To conduct the quantitative research, we gained access to the membership list of banking and financial chartered institutions. We eliminated members employed in the banking industry who occupied support positions, such as legal, consulting or accounting; we also excluded targeted members who perform core operational banking activities. As a result, our total population was 24,826 cases for our survey. We subsequently applied a stratified random sampling technique based on the years of experience of the members. We estimated that a sample size of 379 was more than sufficient based on Krejcie and Morgan (1970), and to arrive at this number of respondents, we invited 1206 members within our sampling frame to take part in the internet-mediated survey. To ascertain that the participants were appropriate for the survey, professional profile questions were included in the questionnaire.

In all, 351 usable responses were obtained at the end of the data collection period. A 29% response rate was therefore reached, which represents a higher rate compared to other similar studies, such as Johnson et al.'s (2011). Table 1 provides the percentage of participants belonging to each experience group.

Experience	**0–4**	**5–9**	**10–14**	**15–19**	**20–24**	**25–29**	**30–34**	**35+**
Representation	33.9%	40.5%	10.8%	6%	0.9%	3.1%	1.7%	3.4%

Table 1: Participant Representation Based on Number of Years of Experience

The conceptualisation of the new construct started with the interviews of professionals in the industry and the consultation of social scientists in the field of finance and governance. The final questionnaire combined new and modified constructs that were based on previous research (Table 2).

As part of the development of the scales, all constructs were tested for reliability and validity. We designed all of the scales included in this study in the form of a five-point Likert type questionnaire in order to simplify the task of the respondents while answering the questionnaire.

Factor measured	**Previous application**
Competitor orientation	Narver and Slater (1990)
Competitive intensity	Jaworski and Kohli (1993)
Strategic aggressiveness	Johnson and Sohi (2001)
Anomie	Menard (1995) and Johnson et al. (2011)
Long-term orientation	Johnson et al. (2011)
Client vulnerability	New construct

Table 2: Previous Application of the Constructs

We also tested the data for common method bias, as Podsakoff et al. (2003) recommended. A common method variance analysis involving the introduction of a common latent factor was therefore performed during the confirmatory factor analysis (CFA). The insertion of the single common method factor resulted in a better fit as model fit improved from a $\chi2$ value of 868.345 with d.f.= 632 to $\chi2$=765.931 with d.f.= 594. The improved model fit resulting from the test therefore provides evidence of common method bias. The common latent factor was consequently maintained for the remainder of the analysis in order to account for this bias.

4. Findings

Construct validation: We also validated the constructs that were measuring our variables during the confirmatory factor analysis (CFA). In order to be validated, the constructs needed to satisfy the conditions for convergent validity and discriminant validity based on four metrics: construct reliability (CR), average variance extracted (AVE), maximum shared variance (MSV) and average shared square variance (ASV). Convergent validity conditions are satisfied when CR > AVE and AVE > 0.5. Discriminant validity conditions are satisfied when AVE > MSV and AVE > ASV.As displayed in Table 3, all of our constructs satisfied both the convergent and discriminant validity conditions.

Factor	CR[1]	AVE[2]	MVS[3]	ASV[4]	Convergent Validity[5]	Discriminant Validity[6]
Anomie	0.898	0.528	0.433	0.131	YES	YES
Strategic aggressiveness	0.893	0.550	0.058	0.024	YES	YES
Competitor Orientation	0.757	0.510	0.166	0.063	YES	YES
Competitive Intensity	0.912	0.675	0.259	0.124	YES	YES
Long-term Orientation	0.831	0.621	0.433	0.136	YES	YES
Client vulnerability	0.897	0.595	0.259	0.097	YES	YES

1. **Construct Reliability**
2. **Average Variance Extracted**
3. **Maximum Shared Variance**
4. **Average Shared Square Variance**
5. **Convergent validity is satisfied when CR>AVE and AVE>0.5**
6. **Discriminant validity is MSV<AVE and ASV<AVE**

Table 3: Convergent Validity and Discriminant Validity Tests

Additionally, during the CFA, we tested each variable for multivariate and univariate normality (Table 4). Considering the model's multivariate kurtosis value of 1.948 and a critical value for multivariate kurtosis of 1.178, which is well below the ceiling of acceptability of 1.96, we are satisfied that the model does not suffer from multivariate non-normality. Similarly the univariate test reveals that all the composites have skewness and kurtosis values within the +/-2.0 benchmark (Bolt, 1999).

Variable	min	max	skew	c.r.	kurtosis	c.r.
Strategic aggressiveness	2.694	4.938	-.816	-6.239	-.428	-1.636
Client vulnerability	1.566	5.096	.236	1.805	-.374	-1.432
Competitive intensity	.555	4.016	-.329	-2.516	.026	.098
Competitor Orientation	1.479	4.247	-.082	-.628	-.619	-2.367
Long-term	.832	3.374	.443	3.385	.597	2.284
Age	1.000	5.000	1.499	11.464	1.507	5.763
Gender	1.000	2.000	-1.397	-10.685	-.048	-.185
Anomie	1.226	3.671	-.563	-4.303	.422	1.614
Multivariate					1.948	1.178

Table 4: Multivariate Normality (OLS Moderated Regression)

The tests performed provided results that are featured in Table 5. Our analysis sought to test the proposed relationship between different environmental factors and the dependant variable of our study, which is anomie. Competitive Intensity had a significant positive relationship with anomie (β= 0.088, $p<0.05$), consequently supporting Proposition 1. This corresponds to Johnson et al.'s findings.

Dependent Variable			**Explanatory variable**	**β**	**s.e.[1]**	**t-value**	**p**
Anomie	P1(+)	←	Competitive Intensity	.088	.038	2.292	**
Anomie	P2(+)	←	Competitor Orientation	-.051	.041	-1.250	
Anomie	P3(+)	←	Strategic aggressiveness	.062	.035	1.795	*
Anomie	P4(-)	←	Long-term Orientation	-.488	.055	-8.79	***
Anomie	P5(+)	←	Client vulnerability	.002	.038	.054	
			<u>Controls</u>				
Anomie		←	Gender	-.038	.050	-.762	
Anomie		←	Age	-.028	.023	-1.229	

***** p-value < 0.01**

**** p-value < 0.05**

*** p-value < 0.10**

Table 5: Ordinary Least Squares Regression Results

Competitor Orientation had no significant influence on anomie, thus failing to support Proposition 2. Furthermore, unlike in Johnson et al. (2011), the results of Proposition 2 suggested a negative relationship between competitor orientation and anomie (β= -0.051). However, similar to the results in our study, Johnson et al.'s (2011) study did not find a significant relationship between the two variables.

In Proposition 3, we posited that strategic aggressiveness positively impacts anomie in banks. This position was supported as our tests resulted in a β value of 0.062 for P3, which indicates a positive relationship. However, this relationship was significant only at $p<0.10$. This contrasts with Johnson et al. (2011), who found a negative relationship between strategic aggressiveness and anomie (β= -0.26) at a $p<0.05$ significance level.

Long-term orientation had a very strong and significant negative effect on anomie (β= -0.488, $p<0.01$), therefore supporting Proposition 4. Long-term orientation by far registered the strongest relationship with anomie among the variables. The strength of the relationship was almost double that found by Johnson et al. (2011) (β= -0.28, $p<0.01$) in their study of the manufacturing industry.

Proposition 5 was not supported due to the predicted positive relationship between client vulnerability and anomie (β= 0.002) being non-significant.

5. Discussion

Our tests for P1 found that a positive relationship exists between anomie in the banking industry and competitive intensity. This confirms Johnson et al.'s results since, similar to our tests, the tests in the US manufacturing industry resulted in a positive relationship between the dependant variable and the independent variable. This means that an increase in the intensity of the competition relates to an increase in anomie in the industry. However, the β (0.088, $p<0.05$) for the relationship we found is smaller than that found by Johnson et al. (2011) (β = 0.21, $p<0.05$), which suggests that the strength of the relationship between anomie and the factors influencing it differ from industry to industry. The established relationship of competitive intensity suggests that although a certain degree of competitive intensity is healthy for an industry, past that threshold, competition become unhealthy. It leads to misbehaviours from employees in companies looking to beat the competition at all costs and earn revenues at a level beyond those possible when respecting the regulations in force and the ethical

codes of society. The fact that competition becomes unhealthy only after it reaches a certain level of intensity could therefore explain the lower β we found in our test of P1 compared to the β we found in P4 ($\beta = -0.488$, $p<0.01$).

The failure to find a significant relationship between anomie and competitor orientation, as proposed in P2 ($\beta = -0.051$, $p>0.10$),as well as with the proven presence of these two variables in the banking industry, could indicate that competitor orientation is part and parcel for strategies in the banking industry's operations. In order to fulfil their operational goals and provide services to customers, it is necessary for banks to monitor other banks' activities. Yet this does not necessary translate into a rise of anomie. This could therefore be evidence that some underpinning market and banking principles and theories require awareness of the different strategic moves in the market in order to operate. Indeed, one of the main operations of banks relates to investments, be it in the form of loans or equity. Yet, while considering an investment, the investor, in this case a bank, tends to look at the performance of the wider market it is considering entering by making the investment. Considering that the market includes investors and competitors, and given that share price performance is an important factor to consider in investments – one that is influenced by market confidence and buy or sell orders made by players in the market – by considering the market statistics in their analysis, banks inextricably consider the activities and positions of the competitors within the market, thus exhibiting signs of competitor orientation. Market orientation here implicate competitor orientation.

Consequently, in such instances, being competitor-oriented could be a necessary part of the natural functions of the bank, rather than a strategic option. This contrasts with the relationship found between the dependant variable and competitive intensity. Although competition is naturally to be expected in any industry, it is the intensity level that makes the difference. Whereas, as we suggested, an employee cannot avoid being competitor-oriented due to the fact that market orientation is a perquisite for many banking operations, the same cannot be said for a destructive level of competition. Similar to these results, Johnson et al. (2011) did not find a significant relationship between anomie and competitor orientation in their industry of focus.

Similar to the contrast found in P1, the contrast in the results of P3 ($\beta = 0.062$, $p<0.10$), which tests the relationship between strategic aggressiveness and anomie, Johnson et al.'s (2011) results (2011) ($\beta = -0.26$, $p<0.05$), which measure the same relationship, indicate that the nature of relationships between anomie and its determinants can be different from industry to industry. In this case, the positive relationship that resulted from the tests performed during this study contrast with the negative relationship in Johnson et al.'s (2011) results. Similarly, the significance levels between the two results differ.

The results for long-term orientation (P4) ($\beta = -0.488$, $p<0.01$) could indicate that anomie in the banking industry is much more timeframe-sensitive compared to in the manufacturing industry, which was the target of Johnson et al.'s (2011) study ($\beta = -0.28$, $p<0.01$). In other words, the timeframe embedded within the strategies has a greater influence on the behaviour of employees in the banking industry than in the manufacturing industry, especially considering the importance of the quarterly results on share prices in our particular industry of interest.

Finally, the failure to find a significant relationship between client vulnerability and anomie (P5) and the low beta resulting from our analysis ($\beta = 0.002$, $p > 0.10$) indicate that the vulnerability of clients, including low financial literacy and lack of access to independent information, does not necessarily represent a trigger for bankers to behave in ways that are not in the interest of their clients. This could be because of the difficulty a banking professional may have in accurately gauging the level of financial literacy of a client within one meeting prior to providing misleading advice.

6. Conclusion

Overall, our study provides strong evidence that the nature and strength of relationships between anomie and the factors that influence it differ from industry to industry. Also, it presents evidence that bankers' ethical performance are more influenced by the pressure to perform at work, as well as

organisational and industrial culture, than by aspects related to clients, such as familiarity with financial products, financial literacy, or availability of independent sources of information. Yet, despite the recent crisis and the proven influence of some of these factors in anomie, not much has changed. More alarmingly, the measures that have been taken to solve the crisis target mainly the capital structure of the banks in order to make the system strong enough to withstand future crises that could be caused by the same factors as those that caused the 2007 crisis. Therefore, these measures are more geared towards immunising the system from factors such as anomie, greed, and practices like the concept of securitisation and repackaging. This represents a loose end in the wake of the crisis, as practices such as asset repackaging are expanding. Indeed, a new breed of financial institutions is proposing more and more businesses to sell them the invoices they issue to clients – invoice factoring. Considering that the past crisis has shown us that when banks are able to repackage loans, they are no longer interested in knowing whether the loans can be repaid, global economics is facing an even bigger crisis due to the fact that economies are now based on private sectors, and businesses in every sector can now compete in issuing as many invoices as possible regardless of whether these will end up becoming bad debts, in the same way that banks were competing in issuing loans regardless of whether these would be repaid. This invoice securitisation could lead to a crisis that cripples not only the banking system but also every sector in which businesses make extensive use of this service, which means a widespread crisis in times when government coffers are no longer robust.

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