

Occasional Paper 7

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Employee Views of Ethics at Work: 2012 Continental Europe Survey

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Published by the Institute of Business Ethics

 Institute of
Business Ethics

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Acknowledgements The author would like to thank Dr Nicole Dando for her invaluable insights on this Paper and the IBE team for their support, particularly Judith Irwin and Katherine Bradshaw.

The IBE would like to thank Ewald Bruckmuller, Total for acting as reviewer of earlier drafts.

We are grateful to ComRes and Ipsos MORI for their help with analysis of the Survey data.

The IBE thanks Japan Tobacco International (JTI) and Finmeccanica UK for their financial support of this project.

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Employee Views of Ethics at Work: 2012 Continental Europe Survey

Price £10 ISBN 978 1 908534 05 7

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First published December 2012
by the Institute of Business Ethics
24 Greencoat Place
London SW1P 1BE

Registered Charity No. 1084014

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Contents

	Page
Executive Summary	4
Sponsors' Forewords	6
Introduction	7
1 Perceptions of Behaviour in Organisations	12
2 Perceptions of Organisational Culture	19
3 Assistance for Employees on Ethical Matters	25
Concluding Remarks	33
Appendix 1 IBE 2012 Continental Europe Ethics at Work Survey Questionnaire	34
Appendix 2 Survey Respondent Profiles	36
Appendix 3 A Note on Statistical Method	38

Executive Summary

In 2012 the IBE extended its British Ethics at Work Survey to four countries in continental Europe. The British Survey has been carried out at regular intervals since 2005 and a separate report presents the 2012 results.¹

This Paper sets out the online responses of nationally representative samples of full and part-time employees in private and public sector organisations in France, Germany, Italy and Spain, totalling 3,001 employees.

Part 1 presents employees' **perceptions of ethical behaviour** in their organisation.

Part 2 explores the **culture** within continental European organisations as perceived by their employees.

Part 3 reports on the **formal assistance** on ethical matters that employees say their organisations provide, i.e. through an **ethics programme**.

The Paper ends with some **concluding remarks** on the Survey findings. The Survey questionnaire is presented as an Appendix.

Findings

Continental Europe

These are the key findings of the IBE 2012 Continental Europe Ethics at Work Survey:

- **The majority** (77%) of employees say that **honesty is practiced** "Always/Frequently" in their organisation's daily practices. A fifth (19%) say that honesty is practiced "Occasionally/Rarely/Never" and 3% "Don't know".
- Almost **three quarters** (71%) of employees say they have **not felt pressured** at work to compromise their organisation's ethical standards. **Twenty two percent said they had felt pressured** (answered "Yes" or "Sometimes") and 7% said they "Don't know".
- **Three in five** (60%) continental European employees say they **have not been aware of misconduct** in their organisation in the past year. **Twenty eight percent said they had been aware of misconduct** and 12% said they "Don't know".
- The **majority** of continental European employees perceive their organisation as having six of seven **positive indicators of an ethical culture** in place.²

The following findings are of concern:

- Of the quarter (28%) of employees who said they had been **aware of misconduct** during the past year at work, **only half raised their concerns** with their employers.
- Just **half** (53%) of employees say their organisation has **written standards** of ethical business behaviour in place.
- **Less than half** of employees say their organisation has an anonymous **speak up mechanism** (31%) or an advice or information **helpline** (34%) in place, or provides **training** (39%) on ethical issues.

¹ *Employee Views of Ethics at Work: 2012 British Survey* report and the 2005 and 2008 British Survey reports are available at: www.ibe.org.uk.

² Indicators of an ethical culture identified by IBE. See Webley S & Werner A (2009) *IBE Employee Views of Ethics at Work: The 2008 national survey*. Available at: www.ibe.org.uk.

- Country trends** The following trends emerged within each of the four continental European markets:
- Overall, **Italian** employees were most likely to say their organisation is ‘ethical’ in terms of behaviour and standards. Though, they were most likely to report feeling pressured to compromise ethical standards.
 - Compared with the total sample of continental European employees, significantly higher proportions of **Spanish** employees said their organisation has three of four aspects of a formal ethics programme in place – but this was not reflected in employees’ perceptions of behaviour.
 - **German** employees were the least likely of continental European employees to say their organisation provides formal support and assistance to encourage ethical behaviour. Yet, perceptions of the existence of unethical behaviour in their workplace are less widespread than among employees in France, Italy and Spain.
 - **French** employees’ perceptions of ethical behaviour in their workplace were generally in line with those of continental European employees’. However, compared with the total sample they were significantly less likely to say their organisation provides an anonymous speak up mechanism and training on ethical standards.
- Public vs. Private sector** Public sector employees were more likely to say their organisations provide three of the four aspects of a formal ethics programme than employees in the private sector.
- Full vs. Part-time** Part-time employees were generally less likely to be aware of whether their organisation has in place the indicators of an ethical culture or a formal ethics programme to encourage ethical business conduct.

Sponsors' Forewords



JTI is delighted to support this IBE project. Maintaining high standards of integrity and ethics in the workplace not only makes good business sense, it is the right thing to do.

As a fast-growing multicultural company, JTI applies a level of corporate integrity that goes beyond standard compliance and regulatory requirements, demonstrating a deep commitment to ethical, transparent and accountable behavior. This is achieved through rigorous standards of ethics, governance and monitoring mechanisms which guide our employees in conducting their day to day activities.

Consequently, it is no surprise that 89% of our employees are proud to work for JTI, as revealed by a recent internal survey conducted by an independent provider.

Solveig Holy-Ruefenacht, Corporate Compliance Vice President, June 2012

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Introduction

Since 2005 the Institute of Business Ethics has periodically commissioned Ipsos MORI to survey a nationally representative sample of British full-time employees on their views of ethics in their organisation.³ The IBE British Ethics at Work Survey is conducted via face-to-face interviews and explores employees' attitudes and perceptions of ethical standards and practice in their workplace.

In 2012, for the first time, the IBE also surveyed employees in continental Europe – France, Germany, Italy and Spain – using a shortened version of the British Survey questionnaire (see Appendix 1).⁴ The IBE commissioned ComRes to survey online, a nationally representative sample of full and part-time employees in the four continental European markets.

1. Purpose

The six aims of the IBE 2012 Continental Europe Ethics at Work Survey were:

- To develop an understanding of employees' perceptions of ethics in their workplace
- To enquire if and how employees feel supported in maintaining ethical standards at work
- To explore any differences between the perceptions of full and part-time, and private and public sector, employees in continental Europe
- To explore if and how an ethical culture and the existence of formal ethics programmes influence standards of ethical behaviour in workplaces
- To draw comparisons between employees' experiences of ethical practice in their organisations in France, Germany, Italy and Spain
- To provide data for indicative comparisons with the results of the IBE 2012 British Ethics at Work Survey. Box 1 compares the two Survey approaches.

Box 1 Comparing the methodologies of the 2012 British and Continental Europe Ethics at Work Surveys

British Survey	Continental Europe Survey
Survey conducted via face-to-face interviews	Survey conducted via online questionnaire
Fieldwork conducted over January - February 2012	Fieldwork conducted over March - April 2012
Questionnaire contained 10 questions with sub-questions	Questionnaire contained 6 questions with sub-questions
Sample comprised of full-time workers in public and private sector	Sample comprised of full-time and part-time workers in public and private sector
Sample breakdown available by gender, age, management and non-management employees	Sample breakdown available by gender, age, full and part-time, public and private sector employees
Adult age group demographic 16+	Adult age group demographic 18+

³ The IBE British Ethics at Work Survey was carried out in 2005, 2008 and 2012. In each case the IBE commissioned Ipsos MORI to interview a representative sample of British adults in full-time work. The 2005 Survey report *Ethics at Work: A national survey* by Webley S & Dryden P (2005) and the 2008 Survey report *IBE Employee Views of Ethics at Work: The 2008 national survey* by Webley S & Werner A (2009) are available at: www.ibe.org.uk

⁴ The complete British Ethics at Work Survey questionnaire is reproduced in the *IBE Employee Views of Ethics at Work: 2012 British Survey* report. Available at: www.ibe.org.uk

2. The questionnaire

The questionnaire (see Appendix 1) consisted of 6 questions (some with sub-questions). The questions were taken from and largely replicate those in the 2012 British Ethics at Work Survey, with some amendments to wording to take account of cultural differences.⁵

The fieldwork was carried out online by ComRes in March/April 2012. The data has been weighted so that the respondent profile reflects the true working populations in France, Germany, Italy and Spain in terms of key demographics i.e. age and gender.

3. Respondent profile

The focus of this Survey is on adults (aged 18+) in full and part-time employment in public and private sector organisations in continental Europe. (Private sector employees includes those working in not-for-profit organisations.)

The opinions of 3,001 continental European employees were canvassed (750 each in France, Germany and Italy, and 751 in Spain). Table 1 presents a breakdown of the full sample. Respondent profiles for each of the four continental European markets are provided in Appendix 2.

Table 1 **Profile of Survey respondents**

	2012	%	
Total number	3,001	100	
Male	1,443	55	
Female	1,558	45	
Public sector	1,000	30	
Private sector	2,000	70	
Full-time	1,818	62	
Part-time	1,183	38	
18 - 34	828	28	
35 - 54	1,138	57	
55+	1,035	15	

Note: All percentages are weighted to reflect the make-up of the working populations in each continental European market. Percentages have been calculated using figures rounded to the nearest whole number, so may not total 100%.

4. Analysis

The text of this Paper refers to relationships found within the IBE 2012 Continental Europe Ethics at Work Survey data. All of these relationships are statistically significant unless otherwise stated. This includes for instance, comparisons between responses from the different markets and cross-tabulations comparing the views of different sub-groups (full/part-time, public/private sector etc.) of the sample and responses to different questions.

Findings discussed in the text generally refer to the total sample, i.e. the four markets combined ('continental Europe'). Findings for individual market(s) are highlighted where there are statistically significant differences compared with the total sample.

⁵ The original 2005 British survey questionnaire was informed by a forensic survey by *Management Today* and KPMG (see Weit, M (January 2001) 'The Workplace Ethic', *Management Today*) and by the US *National Business Ethics Survey* (conducted biennially by the US Ethics Resource Center). Available at: www.ethics.org.

In the data tables, statistically significant differences between individual markets and the total sample across continental Europe are marked with an asterisk.

This Paper also comments on results from the IBE 2012 British Ethics at Work Survey⁶ and 2011 US National Business Ethics Survey by the Ethics Resource Center,⁷ which both ask similar questions to the IBE 2012 Continental Europe Ethics at Work Survey. These comparisons are for general interest purposes only and are purely indicative. They are not statistically valid due to the different research approaches used in each case (see Box 1).

More details on statistical significance are given in Appendix 3. All percentages have been rounded to the nearest whole number and subsequently may not total 100%.

5. Setting the scene

High profile cases of corporate ethical and legal malpractice have recently come to light in each of the four continental European markets. The **French** pharmaceutical company Servier was on trial in May 2012 for allegations that it knowingly misled medical practitioners over more than three decades about the health risks of its drug, Mediator.⁸ Deutsche Bank, **Germany's** biggest bank, admitted complicity in the Libor rate-fixing scandal in July 2012⁹ and only a day later, German confectionary manufacturer Haribo was fined €2.4m for anti-competitive behaviour.¹⁰ **Italian** steel manufacturer ILVA, faced public outrage and two criminal investigations - for causing the deaths of at least 400 people due to environmental pollution from its steelworks factory in Taranto and for bribes paid for environmental reports to 'play down' the scale of pollution.¹¹ In **Spain**, former board members of the native lender Bankia have been under scrutiny regarding charges of "falsifying accounts, dishonest administration, price manipulation and improper appropriation."¹² Business behaviour is a topical issue in continental Europe.

The **global economic downturn** is also relevant. It has had a significant impact, compounded by the **Eurozone debt crisis**, with all four markets facing economic uncertainty.¹³ Businesses in Italy and Spain in particular are struggling to cope with the financial pressures. In such circumstances, when short term survival is an organisation's primary concern, business ethics can easily drop off the list of priorities.

⁶ Basran S & Webley S (2012) *Employee Views of Ethics at Work: 2012 British Survey*, IBE. Available at: www.ibe.org.uk

⁷ Available at: www.ethics.org

⁸ 'French Mediator Drug Scandal Reaches Court with Insurers Keeping Close Watch', *Commercial Risk Europe*, 17th May 2012. Available at: <http://www.commercialriskeurope.com/cre/1406/85/French-Mediator-drug-scandal-reaches-court-with-insurerskeeping-close-watch/>

⁹ 'Deutsche Bank Admits Libor Involvement', *The Guardian*, 31st July 2012. Available at: <http://www.guardian.co.uk/business/2012/jul/31/deutsche-bank-libor>

¹⁰ 'Haribo Fined over Talks on Retailer Rebates', *The Financial Times*, 1st August 2012. Available at: <http://www.ft.com/cms/s/0/81f59842-dbd5-11e1-aba3-00144feab49a.html#axzz22xM0x6X1>

¹¹ 'The Catastrophic of Cost Corruption: The Taranto Scandal', *The Italy Chronicle*, 30th July 2012. Available at: <http://italychronicles.com/the-catastrophic-cost-corruption-the-taranto-scandal/>, 'Italy's Industrial System 'Put At Risk' by Ilva Case', *Gazzetta Del Sud*, 14th August 2012. Available at: <http://www.gazzettadelsud.it/news/english/8423/Italy-s-industrial-system-put-at-risk-by-ILVA-case.html> and 'Italian Judge Opens Corruption Probe into Steel Plant', *Reuters*, 16th August 2012. Available at: <http://www.reuters.com/article/2012/08/16/italy-probe-idUSL6E8JGAE820120816>

¹² 'Bankia Board Faces Investigation over Corruption Claims', *The Guardian*, 4th July 2012. Available at: <http://www.guardian.co.uk/business/2012/jul/04/bankia-board-investigation-corruption-claims> and 'Rato and other Board Officials Face Fraud Probe', *BBC News*, 4th July 2012. Available at: <http://www.bbc.co.uk/news/business-18705836>

¹³ 'Five years of financial crisis through the eyes of Ambrose Evans-Pritchard', *The Telegraph*, 9th August 2012. Available at: <http://www.telegraph.co.uk/finance/financialcrisis/9462730/Five-years-of-financial-crisis-through-the-eyes-of-Ambrose-Evans-Pritchard.html>

There are **efforts by the European Commission** (EC) to encourage organisations to do business responsibly.¹⁴ In 2001, the EC published *Promoting a European Framework for Corporate Social Responsibility*, a Green Paper setting out CSR as having both an internal dimension i.e. how companies operate, and an external dimension i.e. the impact of companies on society and the environment.¹⁵ A year later a strategy document¹⁶ was released which identified key actions for organisations to operate in a way aligned with this understanding of CSR. These actions included providing employee training and CSR tools and practices such as a code of conduct, standards for socially responsible investment and instruments for measuring organisational performance. The EC created a European Multi Stakeholder Forum¹⁷ in line with the strategy document.

In October 2011 the EC updated the 2002 strategy paper with the CSR directive *A Renewed EU Strategy 2011 – 14 for Corporate Social Responsibility*.¹⁸ Progress against the directive will be reviewed in 2014. The directive proposes a renewed definition of CSR as “*the responsibility of enterprises for their impacts on society*” and states:

To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders.

In terms of legislation, the extraterritorial jurisdiction of the **UK Bribery Act** has provided a new driver for attention to business behaviour for any business that operates in any way in the UK. Bribery is an offence under the Act, regardless of where in the world the bribery takes place.¹⁹

The **OECD Anti-Bribery Convention** is the only legally binding global instrument to focus on the supply of bribes to foreign public officials. The Convention applies once voluntarily ratified by a national government.²⁰

What is the **level of business ethics activity** within continental Europe? The World Economic Forum’s *Global Competitiveness Report 2011 - 12*²¹ measures individual markets’ progress against its Global Competitiveness Index, one indicator of this being “*the ethical behaviour of firms*”. Of 142 countries, France was ranked 17th on this indicator, Spain 39th, Germany 60th and Italy 79th. Higher rankings indicate better corporate ethics.

¹⁴ See also: Liedekerke V L & Demuijnck G (2012) ‘Europe’ in *Global Surveys of Business Ethics in Training, Teaching and Research*, edited by Rossouw D & Stuckelberger C. Available at:

http://www.globethics.net/c/document_library/get_file?uuid=d13e186c-198a-4e77-ac7a-9aa5584e7a8c&groupId=4289936

¹⁵ European Commission (2001) *Promoting a European Framework for Corporate Social Responsibility*. Available at: http://eur-lex.europa.eu/LexUriServ/site/en/com/2001/com2001_0366en01.pdf

¹⁶ European Commission (2002) *Corporate Social Responsibility: A Business Contribution to Sustainable Development*. Available at: http://europa.eu/legislation_summaries/employment_and_social_policy/employment_rights_and_work_organisation/n26034_en.htm

¹⁷ EU Multi Stakeholder Forum on CSR:

http://circa.europa.eu/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/csr%20ems%20forum.htm

¹⁸ European Commission (2011) *A Renewed EU Strategy 2011 – 14 for Corporate Social Responsibility*. Available at: http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr/new-csr/act_en.pdf

¹⁹ *Joint Prosecution Guidance of the Director of the Serious Fraud Office and the Director of Public Prosecutions* (2011). Available at: <http://www.ukbriberyact2010.com/Assets/Resources/CPS-BriberyAct2010-JointProsecutionGuidanceofTheDirectoroftheSeriousFraudOfficeandtheDirectorofProsecutions-March2011.pdf> and the Ministry of Justice Bribery Act 2010 (2011), available at: <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

²⁰ OECD Working Group on Bribery, *Annual Report* (2011). Available at: <http://www.oecd.org/daf/briberyininternationalbusiness/AntiBriberyAnnRep2011.pdf>

²¹ World Economic Forum, *The Global Competitiveness Report 2011–2012*. Available at: http://www3.weforum.org/docs/WEF_GCR_Report_2011-12.pdf

In 2010 the IBE surveyed companies listed on national stock exchanges in France (8 responses), Germany (10 responses), Italy (5 responses) and Spain (5 responses) regarding their business ethics programmes and practice.²² The survey found that the majority of those companies in Germany (80%), Italy (50%) and Spain (60%), and a quarter in France, had had a code of ethics for 5 years or more. When asked about ethics training, the majority of respondents from the four markets said training on ethical practice was provided for all levels of staff. Similarly encouraging was the high proportion who said they provided a mechanism for employees to raise concerns or ask questions about the code of ethics – 100% of Spanish, 90% of German, 88% of French and 80% of Italian company respondents.

Do the **public's views of business behaviour** reflect what companies say they are doing? An annual global survey of the general population by Edelman found in 2011 that trust in business “to do what is right” had dropped significantly from the previous year in continental Europe, bar Italy where trust in business remained steady.²³ In France, 28% of people (down from 48%) said they trusted business, in Germany, 34% (down from 52%) and similarly in Spain, 32% (down from 53%), said they trusted business to do what is right. In the UK, the Edelman survey found 38% of people said they trusted business in 2011, down from 44% the previous year.

Evidence indicates that the public is a source of pressure on European businesses to operate ethically and responsibly. A survey by Burson Marsteller of the general population in 14 European countries²⁴ found 77% of respondents said they would pay more for products and services that are delivered and produced responsibly and fairly. Around two thirds (68%) said a strong corporate purpose is important when making purchasing decisions, and being honest and trustworthy was ranked as most important by respondents of a list of 16 factors.

This business environment provides the context in which the IBE 2012 Continental Europe Ethics at Work Survey was conducted.

²² Webley S with Basran S, Harris D & Hayward A (2011) *Corporate Ethics Policies and Programmes: UK and Continental Europe Survey 2010*. Available at: http://ibe.org.uk/userfiles/codes_survey_2010final.pdf

²³ Edelman (2012) *Edelman Trust Barometer*. Available at: <http://trust.edelman.com/trust-download/global-results/>

²⁴ Burson Marsteller (2011) *Trust and Purpose Survey*. Available at: <http://burson-marsteller.eu/2011/06/financial-crisis-and-corporate-behaviour-have-dramatic-impact-on-consumer-trust-across-europe-according-to-trust-purpose-survey-by-burson-marsteller/>

01

Perceptions of Behaviour in Organisations

Highlights

- Three quarters (77%) of continental European employees say that honesty is practiced “Always/Frequently” in their organisation’s daily operations. Italian employees are most likely to say this is the case out of employees in the four markets (86%).
- A fifth (22%) of employees say they have felt pressured to compromise ethical standards in their organisation.
- More than a quarter (28%) of employees report being aware of misconduct in their organisation in the past year, with Spanish employees most likely to say this is the case (36%).
- Half (51%) of those employees who were aware of misconduct, raised their concerns. Spanish employees were the least likely of the total sample to ‘speak up’ (44%).

To explore ethical behaviour in organisations, the IBE 2012 Continental Europe Ethics at Work Survey asked employees about:

- Their perception of the degree of honesty practiced in their workplace
- Their experience of pressure to compromise ethical standards in their organisation
- Whether they had been aware of misconduct in the workplace in the past year, and if so, whether they had taken any action.

1. Is honesty practiced at work?

Figure 1 sets out employees’ perceptions of the level of honesty practiced in their workplace across (continental Europe) and within each of the four markets.

Around **three quarters (77%) of continental European employees felt that honesty is practiced “Always” or “Frequently”** in their organisation. In the IBE 2012 British Ethics at Work Survey the proportion was 84% of full-time employees.

Country trends

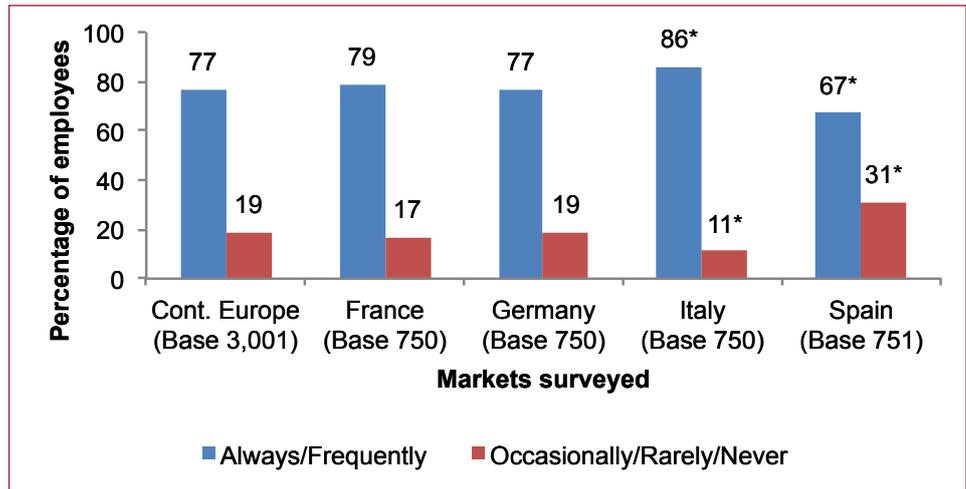
There were differences between the four continental European markets with responses from two markets standing out. Italian employees were more likely to say honesty is practiced “Always/Frequently” (86% compared to 77% of the total sample) and the least likely to say honesty is practiced “Occasionally/Rarely/Never” (11% compared to 19% of the total sample). For Spanish employees the reverse was true. They were more likely to say honesty is practiced “Occasionally/Rarely/Never” in their organisation’s daily operations (31% compared to 19% of the total sample) and least likely to say honesty is practiced “Always/Frequently” (67% compared to 77% of the total sample).

Differences between sub-groups

There were also differences in opinion between employees of different ages and levels of income. Older employees (those aged 35+ years) were more likely (79% of 35 – 54 year olds and 80% of 55+ year olds) to say honesty is practiced “Always/Frequently” in their workplace than their younger counterparts (72% of 18 – 34 year olds). Employees in the lower earnings group (€1,500 or less a month)

were more likely to say honesty is practiced “Occasionally/Rarely/Never” in their organisation (21% compared to 19% of those earning more than €1,500 a month).

Figure 1 In your organisation’s daily operations would you say that honesty is practiced...? (Q1) (Grouped category responses)

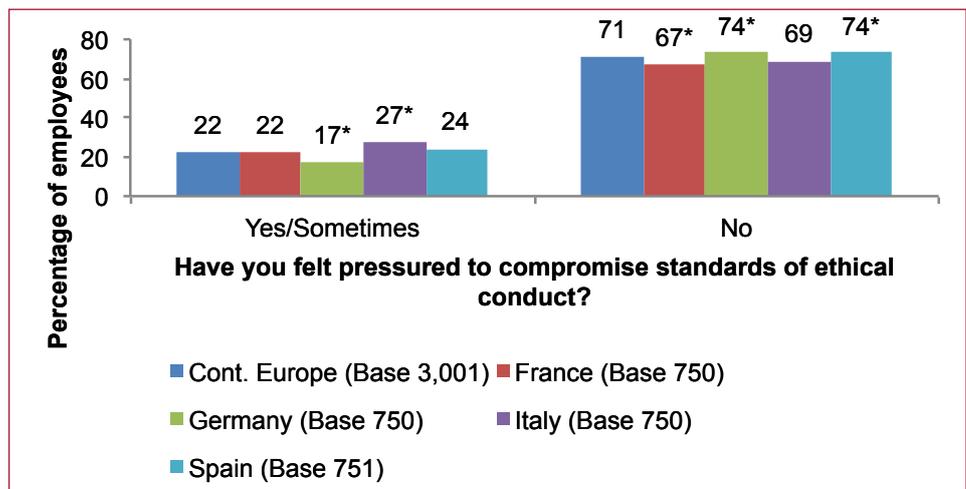


*Statistically significant differences at the 95% level of confidence compared with the total sample.

2. Pressure to act unethically

Figure 2 and Table 2 show whether employees have felt pressure to compromise their organisation’s ethical standards. **Roughly a fifth (22%) of continental European employees said they had felt such pressure** (answering “Yes” or “Sometimes”). Only 9% of full-time employees in the 2012 British Ethics at Work Survey said they had felt pressured to compromise standards.

Figure 2 Pressure to compromise your organisation’s standards of ethical conduct (Q6) ("Yes/Sometimes" & "No")



*Statistically significant differences at the 95% level of confidence compared with the total sample.

Note: "Don't know" employee responses to Question 6 are presented in Table 2.

Table 2 Pressure to compromise your organisation’s standards of ethical conduct (Q6)

Have you felt pressured to compromise your organisation’s standards of ethical conduct? (Q6)	Base	Cont. Europe 3,001 %	France 750 %	Germany 750 %	Italy 750 %	Spain 751 %
Yes		9	9	7	10	9
Sometimes		13	13	10*	17*	15
No		71	67*	74*	69	74*
Don’t know		7	11*	9*	4*	3*

*Statistically significant differences at the 95% level of confidence compared with the total sample.

The US Ethics Resource Center (ERC) conducts a biennial National Business Ethics Survey (NBES)²⁵ similar to the IBE Ethics at Work Surveys. The questions are worded slightly differently and the NBES considers only private sector, full-time employees. As the IBE 2012 Continental Europe Ethics at Work Survey includes full and part-time, and public and private sector employees, the findings for both surveys are not directly comparable. The NBES findings are discussed in this Paper for general interest purposes, as a benchmark of US employees’ experiences of ethical standards and behaviour in their workplace.

In 2011 the NBES found that 13% of US employees had perceived pressure to compromise their organisation’s ethical standards, policies or to break the law in order to do their jobs (just shy of the NBES all-time high of 14% in 2000).

Is there a link between employees’ perceptions of honesty being practiced and feeling pressure to behave unethically? Continental European **employees who said honesty is practiced “Always/Frequently” were more likely to say that they had not experienced pressure to compromise ethical standards** (77% compared to the total sample of 71%).

Country trends

The IBE 2012 Continental Europe Ethics at Work Survey found that **Italian employees are more likely than the total sample to say they have felt pressured to act unethically** (27% compared to 22% of the total sample), in spite of being the most likely to say honesty is practiced on a daily basis in their organisation (see Figure 1). This discrepancy may reflect the impact of economic pressures – the Italian government has the largest debt burden of any of the major Eurozone economies.²⁶

²⁵ Ethics Resource Center (2011) *National Business Ethics Survey: Workplace ethics in transition*. Sample base: 4,683 private sector employees aged 18 years and above. Fieldwork was conducted through an online survey (two thirds of respondents) and telephone interviews (one third of respondents) from 15 – 29 September 2011. Available at: http://www.ethics.org/nbes/?utm_source=NBES+Research+Report+-+Reporting+Release&utm_campaign=Reporting+Release&utm_medium=email

²⁶ ‘Italian Economy Contracts 0.7% in Second Quarter’, *BBC News*, 7th August 2012. Available at: <http://www.bbc.co.uk/news/business-19162772>

German and Spanish employees were the most likely of employees in each of the four markets to say they had not felt pressure to behave unethically (74% compared to 71% of the total sample). The Spanish employees’ response is particularly interesting as they were the most likely of the employees from the four markets to say honesty is practiced only “Occasionally/Rarely/Never” in their organisation (see Figure 1). **French employees were the least likely of continental European employees to say they had not felt pressured** (67% compared to 71% of the total sample).

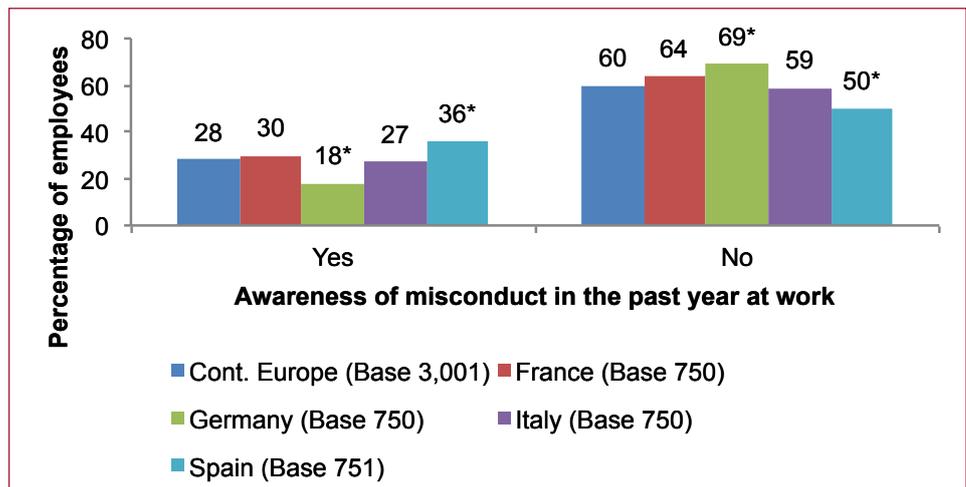
Differences between sub-groups

As with Question 1, **there were differences between age and income groups.** Employees aged 18 – 34 years were more likely to say they had felt pressure (those answering “Yes”) – 11% compared to 9% of those aged 35+ years. Employees earning €1,500 or less a month (16%) were more likely to say they had “Sometimes” felt pressure to compromise standards than those earning more than €1,500 a month (13%). There were also gender differences, with men (10%) being more likely to answer “Yes” to Question 6 than women (7%).

3. Awareness of ethical misconduct

Employees were asked whether they had been aware of actual misconduct by their employer or colleagues (see Figure 3). **More than a quarter (28%) said they had been aware of behaviour that violated the law or their organisation’s ethical standards in the past year at work.** In the IBE 2012 British Ethics at Work Survey 20% of full-time employees answered “Yes” to this question. The 2011 NBES found that almost half (45%) of US employees had personally witnessed misconduct – interestingly, an all-time low proportion for the US survey.

Figure 3 **During the past year at work, have you been aware of any conduct by your employer or colleagues that you thought either violated the law or your organisation’s ethical standards? (Q2) (“Yes” & “No”)**



*Statistically significant differences at the 95% level of confidence compared with the total sample.

Country trends

One in ten employees (12%) in the IBE 2012 Continental Europe Ethics at Work Survey said they “Don’t know” whether they have been aware of misconduct, **suggesting clearer guidance on ethical issues might be useful** for employees in their organisations (see Table 3). However, this was not the case for French employees, who were the least likely to say they “Don’t know” (7% compared to 12% of continental European employees).

Table 3 During the past year at work, have you been aware of any conduct by your employer or colleagues that you thought either violated the law or your organisation's ethical standards? (Q2) ("Don't know")

	Cont. Europe	France	Germany	Italy	Spain
Base	3,001	750	750	750	751
	%	%	%	%	%
Don't know	12	7*	14	14	14

*Statistically significant differences at the 95% level of confidence compared with the total sample.

Similar proportions of employees in France and Italy had been aware of misconduct. **Spain had the highest proportion of employees saying they had been aware of misconduct** (36% compared to 28% of the total sample), perhaps unsurprisingly, as Spanish employees were the most likely to say honesty is practiced "Occasionally/Rarely/Never" in their organisation. Conversely, high proportions of German employees said that they had not been aware of misconduct (69% compared to 60% of the total sample), a reflection of the earlier finding that of employees in the four markets, German employees were the most likely not to have felt pressure to behave unethically (see Figure 2).

Differences between sub-groups

Examining the data in more detail, full-time employees (30%) were more likely to have been aware of misconduct in the past year than part-time employees (24%) – perhaps a reflection of spending more time in the workplace.

Interestingly, there is a distinct trend in awareness of misconduct across the three age groups. Table 4 shows that younger employees (those aged 18 – 34 years) were more likely in each of the four continental European markets to say they had been aware of unethical behaviour in their organisation in the past year, than employees aged 35 and above.

Table 4 Awareness of misconduct by age group in each market (Q2)

	Those aware of misconduct %	Age groups (years)		
		18 - 34 %	35 - 54 %	55+ %
France (Base 750)	30	34*	28	26
Germany (Base 750)	18	24*	15	18
Italy (Base 750)	27	33*	25	22
Spain (Base 751)	36	45*	34	29

*Statistically significant differences at the 95% level of confidence compared with the total sample.

The results for Questions 2 and 6 were compared to explore whether a link can be made between the perception of pressure to compromise ethical standards and awareness of ethical misconduct. The comparison found that **higher proportions of those employees who were aware of misconduct had also experienced such pressure** (51% compared to 22% of the total sample) (see Table 5).

Table 5 Awareness of misconduct and experience of pressure to compromise ethical standards (Q2 vs. Q6)

Have you felt pressured to compromise your organisation’s standards of ethical conduct? (Q6) <i>Base</i>	Total Sample 3,001 %	Those aware of misconduct 831 %
Yes/Sometimes	22	51*
No	71	45
Don’t know	7	4

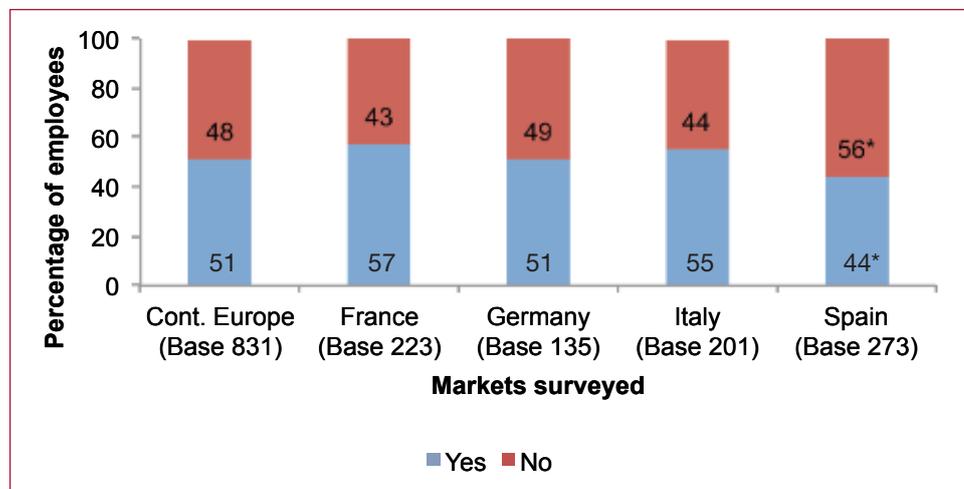
*Statistically significant differences at the 95% level of confidence compared with the total sample.

Employees’ awareness of misconduct (Question 2) and perceptions of the practice of honesty (Question 1) were also compared. Just over a third (39%) of employees who were aware of misconduct said honesty was practiced only “Occasionally/Rarely/Never”, compared to 19% of the total sample. Misconduct seems more likely to occur in organisations where the perception of honesty being practiced is uncommon, than in organisations where honesty is the norm.

4. Reporting misconduct

Having identified respondents who had been aware of misconduct, the Survey asked these employees whether they had taken appropriate action. Only **half (51%) of employees in continental Europe who were aware of misconduct said they had raised their concerns** (see Figure 4) – interestingly, the same proportion as in the IBE 2012 British Ethics at Work Survey (51% among British full-time employees). Two thirds (65%) of US employees in 2011 who had observed misconduct had reported it - a record high for the NBES.²⁷

Figure 4 Did you raise any of your concerns with management, another appropriate person or through any other mechanism? (Q3) ("Yes" & "No")



Base: Employees aware of misconduct in their organisation.

*Statistically significant differences at the 95% level of confidence compared to the total sample.

Note: Those responding "Don't know" was 1% or less and so has not been included here.

²⁷ Ethics Resource Center (2011) *op. cit.*

Country trends In the IBE 2012 Continental Europe Ethics at Work Survey, responses to Question 3 by French, German and Italian employees were in alignment whilst Spanish employees' responses were statistically different. **Spanish employees who had been aware of misconduct were more likely to say that they had not raised their concerns (56% compared to 48% of the total sample). This is noteworthy as they were most likely to have been aware of misconduct of employees in the four markets.**

Differences between sub-groups There was an interesting (but not statistically significant) difference in male and female employees' responses to this question. Men who were aware of misconduct seemed more likely to raise their concerns than women in three of the four markets – France (61% of men compared to 50% of women), Italy (59% of men compared to 48% of women) and Spain (45% of men compared to 42% of women). The IBE British Ethics at Work Survey has previously (in 2005 and 2008, though not in 2012) found women in full-time work to be more likely to raise concerns about misconduct than men in full-time work.

02

Perceptions of Organisational Culture

Highlights

- Italian employees perceive their organisations as having ‘strong’ ethical cultures with a higher proportion agreeing with five of the seven positive indicators of ethical culture compared to the total sample of employees. Spanish employees were more likely to “Disagree” with the positive indicators, suggesting their organisations have comparatively ‘weak’ ethical cultures than organisations in France, Germany and Italy.
- Statistically significant links can be made between indicators of an ethical culture and employees’ perceptions of behaviour – namely the practice of honesty, pressure to compromise ethical standards, awareness of misconduct and speaking up about misconduct.

Part 2 examines employees’ perceptions of a number of practices that can be considered as indicators of an ethical culture. ‘Culture’ refers to ‘the way things are done around here’ i.e. an organisation’s normal way of working and general atmosphere.

1. Indicators of ethical culture

Respondents were asked their opinions about eight indicators of ethical culture (see Table 6). These indicators fall into the following categories:

- Perceptions of management behaviour (A, C and D)
- Perceptions of communication of ethical standards (B and H)
- Perceptions of the enforcement of ethical standards (E)
- Perceptions of responsible business conduct (F and G).

For six of the seven positive statements, a majority of employees said they “Agree”. For four positive statements 60% or more agreed (A, D, F and G), and more than half agreed with statements B and E (see Table 6).

It is worth noting that **high proportions of employees also disagreed with these six statements** (between 20 – 36%). Less than half (45%) of employees agreed with statement H, suggesting that it is fairly uncommon for ethical issues to be routinely discussed in continental European organisations.

Around **a quarter of employees (28%) agreed with negative statement C – i.e. that their line manager rewards good results regardless of whether unethical practices were used to achieve them.** This is similar to the 2012 IBE British Ethics at Work Survey proportion (26% of British full-time workers agreed with statement C). As C is a negative statement it is not included in subsequent analysis on the indicators of an ethical culture in this Paper.

In the 2011 NBES, 42% of US employees said their organisation has a ‘weak’ ethical culture. The NBES measures similar indicators of ethical culture to the IBE Ethics at Work Surveys. For example – management’s trustworthiness, whether managers at all levels talk about ethics and model appropriate behaviour, the extent to which employees value and support ethical conduct.

Table 6 Indicators of ethical culture (Q5)

To what extent do you agree or disagree with the following (Q5)*	Cont. Europe		
	Agree	Disagree	Don't know
	Base	3,001	
	%	%	%
A. My line manager generally sets a good example of ethical business behaviour	64	24	12
B. My line manager explains to staff and colleagues the importance of honesty and ethics in the work we do	57	30	13
C. My line manager rewards employees who get good results even if they use practices that are ethically questionable	28	57	16
D. My line manager supports me in following my organisation's standards of ethical behaviour	60	27	13
E. My organisation disciplines employees who violate my organisation's ethical standards	55	24	21
F. My organisation acts responsibly in all its business dealings (with customers, clients, suppliers, etc.)	66	20	15
G. My organisation lives up to its stated policy of social responsibility	63	20	17
H. Ethical issues of ‘right and wrong’ are discussed in staff meetings	45	36	20

Note: C is a lone negative statement and so is not included in subsequent analysis.

* Response categories were combined as follows: “Agree strongly” & “Tend to agree” = Agree; “Tend to disagree” & “Disagree strongly” = Disagree.

Differences between sub-groups

Looking at sub-groups, **full-time employees were significantly more likely to disagree with statements B (32%), F (21%), G (22%) and H (38%) than part-time employees (B - 27%, F - 17%, G - 18%, H - 31%)**. This difference is interesting because full-time employees spend more time in their organisation than part-time employees and so may have a ‘truer’ picture of their organisation’s culture. Taken together this suggests that continental European organisations have some way to go in embedding ethical values into their culture.

Public sector employees (58%) were more likely to agree with statement E regarding their organisation disciplining employees for wrongdoing than employees working in private sector organisations (53%).

Country trends

The data presented in Table 7 shows that higher proportions of Italian employees agreed with five of the seven positive indicators of an ethical culture (B, E, F, G, and H) than the total sample, suggesting **Italian organisations have ‘stronger’ ethical cultures**. This reflects findings earlier in this Paper - that Italian employees (86%) were more likely to say honesty is practiced “Always/Frequently” in their organisation’s daily operations than the total sample (77%).

Table 7 also shows that **French employees were less likely to “Agree” with four of the seven positive statements** (B, E, G, and H) than continental European employees generally.

Table 7 Indicators of ethical culture (Q5) (“Agree”) – continental Europe vs. France & Italy

To what extent do you agree or disagree with the following (Q5)	Base	Agree		
		Cont. Europe	France	Italy
		3,001 %	750 %	750 %
A. My line manager generally sets a good example of ethical business behaviour		64	63	65
B. My line manager explains to staff and colleagues the importance of honesty and ethics in the work we do		57	52*	65*
D. My line manager supports me in following my organisation’s standards of ethical behaviour		60	60	64
E. My organisation disciplines employees who violate my organisation’s ethical standards		55	48*	64*
F. My organisation acts responsibly in all its business dealings (with customers, clients, suppliers, etc.)		66	66	69*
G. My organisation lives up to its stated policy of social responsibility		63	59*	68*
H. Ethical issues of ‘right and wrong’ are discussed in staff meetings		45	36*	56*

**Statistically significant differences at the 95% level of confidence compared with the total sample.*

Similar proportions of employees in France, Germany and Italy disagreed with Question 5. **Spanish employees were more likely to say they “Disagree” with each of the positive statements** than the total sample (see Table 8). This is consistent with the findings that Spanish employees were more likely to say honesty is practiced only “Occasionally/Rarely/Never” (31% compared to 19% of the total sample) and to have been aware of misconduct in the past year in their organisation (36% compared to 28% of the total sample). The **high proportion of Spanish employees disagreeing that their organisation has in place each of the indicators of an ethical culture may also explain why Spanish employees (56%) were more likely to say they had not raised their concerns** when aware of misconduct, than the total sample (48%).

Table 8 also shows that **Spanish employees seem most certain** about their organisation's ethical culture, being the least likely to answer "Don't know" for each positive statement than the total sample. Conversely, **German employees seemed the most uncertain** - they were more likely to answer "Don't know" for six of the seven positive statements than the total sample.

Table 8 Indicators of ethical culture (Q5) ("Disagree" & "Don't know") – continental Europe vs. Spain & Germany

To what extent do you agree or disagree with the following (Q5) <i>Base</i>	Disagree		Don't know		
	Cont. Europe 3,001 %	Spain 751 %	Cont. Europe 3,001 %	Spain 751 %	Germany 750 %
A. My line manager generally sets a good example of ethical business behaviour	24	31*	12	7*	15*
B. My line manager explains to staff and colleagues the importance of honesty and ethics in the work we do	30	38*	13	7*	15*
D. My line manager supports me in following my organisation's standards of ethical behaviour	27	31*	13	7*	19*
E. My organisation disciplines employees who violate my organisation's ethical standards	24	31*	21	12*	27*
F. My organisation acts responsibly in all its business dealings (with customers, clients, suppliers, etc.)	20	32*	15	9*	15
G. My organisation lives up to its stated policy of social responsibility	20	26*	17	13*	20*
H. Ethical issues of 'right and wrong' are discussed in staff meetings	36	43*	20	12*	24*

**Statistically significant differences at the 95% level of confidence compared with the total sample.*

2. Ethical culture and employee behaviour

By comparing the data for the individual ethical culture indicators (Question 5) with employee perceptions of behaviour (Questions 1, 2, 3 and 6), it is possible to identify whether there is a statistically significant relationship (though not a 'cause and effect' relationship) between the two.

Honesty

Respondents agreeing with any statement regarding ethical culture were more likely than those in the total sample to say that honesty is practiced “Always” or “Frequently” in their organisation’s daily operations.

Pressure to act unethically

Respondents who disagreed with each of the positive statements in Question 5 were more likely to say that they have felt pressured to compromise ethical standards in their organisation i.e. in organisations with a ‘weak’ ethical culture employees are more likely to feel such pressure.

Awareness of ethical misconduct

Respondents who perceived a ‘weak’ ethical culture in their organisation (i.e. “Disagree” with each of the positive statements) were more likely than the total sample to have been aware of misconduct in their organisation in the past year.

Raising concerns about misconduct

Respondents who agreed with each of the positive statements (excluding statement E) were more likely to have raised concerns about misconduct they were aware of than the total sample. In an organisation with a ‘strong’ ethical culture, employees are likely to feel able to raise concerns and confident that they will be supported rather than retaliated against in doing so.

3. Comparing Supportive and Unsupportive Employer cultures

Employees were grouped into two cohorts based on their aggregated responses to Question 5 on the indicators of an ethical culture (set out in Table 6). Employees that agreed with more than five positive statements in Question 5²⁸ were grouped as having an employer that created a culture that is supportive of ethical values – a Supportive Employer. Half (53%) of the sample fell into the Supportive Employer group. Where employees disagreed with three or more statements, this group was considered as working for an employer that did not create a culture that is supportive of ethical values – an Unsupportive Employer. Thirty eight percent of the sample fell into the Unsupportive Employer group.

The results, presented in Table 9, provide some evidence supporting the ‘business case’ for having a business ethics policy and programme. They suggest that **employees whose organisations provide a supportive ethical culture are likely to have a positive perception of ethical standards and behaviour that is aligned with corporate ethical values.** This will include:

- Higher perceptions of honesty in the workplace
- Lower pressure to act unethically
- Lower awareness of misconduct
- Higher reporting of misconduct.

²⁸ Apart from C which is a negative statement.

Table 9 Comparing strength of ethical culture with perceptions and attitudes

Perceptions of ethical behaviour in organisations	<i>Base</i>	Total	Supportive Employer	Unsupportive Employer
		3,001 %	1,592 %	1,154 %
Honesty practiced (Always/Frequently)		77	92**	61
Honesty practiced (Occasionally/Rarely/Never)		19	8	36**
Felt pressures to compromise ethical standards (No)		71	82**	57
Felt pressures to compromise ethical standards (Yes/Sometimes)		22	15	38**
Awareness of misconduct (No)		60	75**	38
Awareness of misconduct (Yes)		28	18	49**
Among those aware: Reporting of misconduct (Yes)		(Base 809) 51	(Base 173)* 61**	(Base 263)* 47

*Caution: Indicative findings due to small base sizes.

**Statistically significant differences at the 95% level of confidence compared with the total sample.

03

Assistance for Employees on Ethical Matters

Highlights

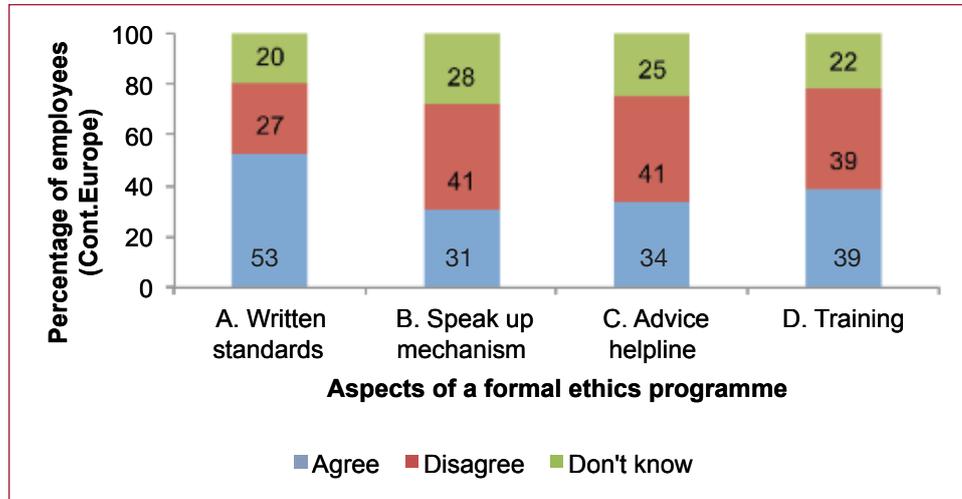
- Half (53%) of employees say their organisation provides written standards of ethical business conduct.
- Roughly a third of employees are aware that their organisation provides an anonymous speak up mechanism to report misconduct (31%) or an advice helpline (34%).
- Thirty nine percent say their organisation provides ethics training.
- Italian employees are the most likely to say their organisation has an ethics programme in place, whilst Spanish employees are the least likely to say this is the case, of employees in the four markets.
- The data suggests that a higher proportion of employees in the public sector say their organisations have formal ethics programmes in place than employees in the private sector.
- Full-time employees were more likely than part-time employees to say their organisation has a formal ethics programme in place.
- The presence of a formal ethics programme correlates with having a supportive ethical culture, higher perceptions that honesty is practiced, lower pressure to behave unethically, lower awareness of misconduct and higher levels of reporting by employees aware of misconduct in the past year at work.

This final Part presents data about whether employees feel their organisation encourages and supports them to behave ethically at work. This assistance is often provided through a formal ethics programme, typically comprising at least four aspects: a code of ethics (or equivalent document) to provide guidance on values expected in business decision-making and behaviour; an anonymous speak up mechanism for employees to raise concerns about misconduct; an advice 'helpline' on ethical issues; and business ethics training.

1. Formal ethics programmes

Respondents were asked their opinion on four statements regarding the information and assistance their employers provide to support ethical business practice (see Table 10 for the full wording of the four statements).

Figure 5 Formal ethics programme in place (Q4)



Base: 3,001 continental European employees.

Figure 5 shows that **half (53%) of continental European employees say their organisation has written standards on ethics, such as a code.** This seems low. In the IBE 2012 British Ethics at Work Survey, almost three quarters of full-time employees (73%) said this is the case in their organisation. **Roughly a third of continental European employees said their organisation has an anonymous speak up mechanism (31%), an advice helpline (34%) or provides ethics training (39%).** Around two thirds (69%) of full-time employees in the 2012 British Ethics at Work Survey said their organisation provides an anonymous speak up mechanism, while around half said it provides an advice helpline (49%) or ethics training (55%). In the 2011 NBES, 82% of US employees said their organisation provides written standards on ethics; 77% said their organisation has an anonymous reporting mechanism; 68% said their organisation has an advice/information helpline in place; and 76% said their organisation provides training on ethical standards.²⁹

The IBE Survey results for Question 4 could indicate two things. First, organisations in continental Europe have some way to go in implementing formal ethics programmes. The resistance to reporting mechanisms could reflect historical events in continental Europe.³⁰ In some continental European countries there is stringent legislation around the provision and use of anonymous reporting channels.³¹

Second, it could be that continental European organisations have ethics programmes in place but are not effectively communicating the presence of these to their employees. Some evidence of this is provided in Figure 5. It shows roughly **a fifth of employees answered “Don’t know” to each of the four statements on the aspects of an ethics programme.** The proportion of full-time employees answering “Don’t know” to the same four statements in the 2012 British Ethics at Work Survey was 5% or less.

Country trends

Examining the responses to Question 4 within each of the continental European markets revealed a number of trends.

²⁹ Ethics Resource Centre (2011) *op. cit.*

³⁰ Tansley Martens L (2012) *Good Practice Guide: Globalising a Business Ethics Programme*, IBE. Available at: www.ibe.org.uk

³¹ 'France - Courts silence "illegal" whistleblowing schemes', *Linklaters*, 18th January 2010. Available at: <http://www.linklaters.com/Publications/Publication1403Newsletter/20100118/Pages/Hotline.aspx>

First, **Italian employees were more likely to “Agree” with statements A, B, and D** than the total sample (see Table 10), and less likely than the total sample to “Disagree” with all four statements. This supports other findings i.e. Italian employees are the most likely out of employees in all four markets to say their organisation has an ethical culture (see Table 7) and practices honesty in its daily operations (see Figure 1). **Italian employees were more likely to be certain about the existence of the aspects of a formal ethics programme** in their workplace – they were significantly less likely than the total sample to answer “Don’t know” for statements A and D.

Table 10 Formal ethics programme in place (Q4) (“Agree”) – continental Europe breakdown

Do you agree or disagree with each of the following statements? (Q4)	Base	Agree				
		Cont. Europe	France	Germany	Italy	Spain
		3,001	750	750	750	751
		%	%	%	%	%
A. My organisation has written standards of ethical business conduct that provide guidelines for my job	53	54	40*	67*	52	
B. My organisation provides employees with a means of reporting misconduct anonymously, without giving their name or other information that could easily identify them	31	23*	24*	38*	37*	
C. My organisation offers advice or an information helpline where I can get advice about behaving ethically at work	34	36	20*	36	43*	
D. My organisation provides training on standards of ethical conduct	39	27*	23*	60*	47*	

**Statistically significant differences at the 95% level of confidence compared with the total sample.*

Second, Table 10 also shows that **Spanish employees were more likely to “Agree” than the total sample that their organisation had three of four aspects of a formal ethics programme in place** (statements B, C and D). **This is a divergence from Spanish employees’ responses to earlier questions in this Survey.** Namely, that in Spain, awareness of misconduct (see Table 3) is significantly more likely and perceptions of the practice of honesty (see Figure 1) significantly less likely, compared to the total sample. Spanish employees were also more likely to disagree that their organisation had in place each of the positive indicators of an ethical culture (see Table 8). As with Question 5 (see Part 2, Section 1) Spanish employees were the most certain of the four markets in their responses to Question 4 – they were less likely than the total sample to answer “Don’t know” for each of the four statements relating to the aspects of an ethics programme.

These findings for Spanish employees reinforce the argument that having in place the aspects of an ethics programme alone are not sufficient for developing an ethical culture. A programme goes only so far in effectively embedding ethical values. Values need to be reflected in behaviour and continuously communicated by senior leadership and line management to effectively shape employees' decision-making and behaviour.

Third, Table 11 shows that German employees were more likely than the total sample to “Disagree” with statements C and D, and to say they “Don’t know” for statements A, B and D. They were also less likely than the total sample to “Agree” that their organisation has each of the four aspects of an ethics programme in place (see Table 10). This corresponds with the previous finding that German employees were the most likely to be uncertain in their perceptions of their organisation’s ethical culture (see Table 8). **This uncertainty among higher proportions of German employees** (compared to the total sample) is particularly interesting when considered alongside the fact that German employees are most likely to say they have not felt pressured to compromise ethical standards (see Table 2) and have not been aware of misconduct in their organisation (see Figure 3), of employees in the four markets.

Fourth, **French employees were significantly less likely than the total sample to “Agree” with statements B and D** (see Table 10).

Table 11 Formal ethics programme in place (Q4) (“Disagree” & “Don’t know”) – continental Europe vs. Germany

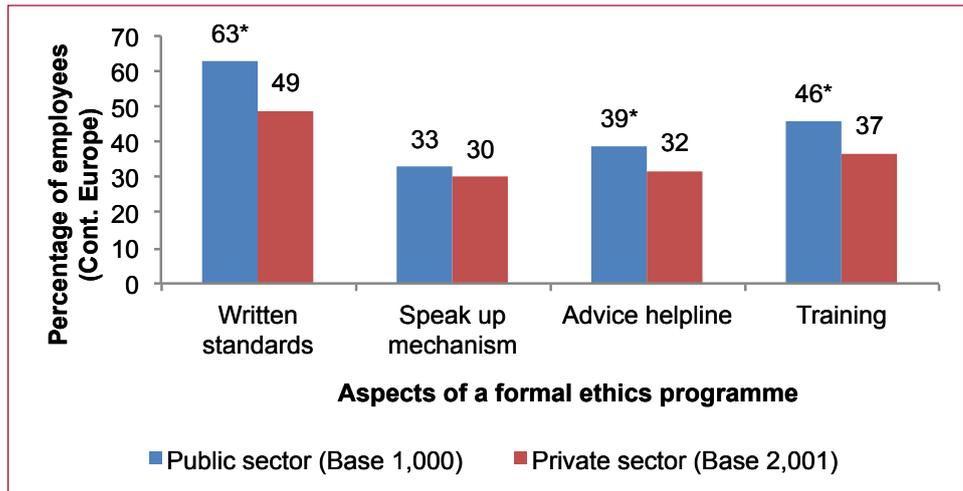
Do you agree or disagree with each of the following statements? (Q4)	Disagree		Don't know	
	Cont. Europe	Germany	Cont. Europe	Germany
<i>Base</i>	3,001 %	750 %	3,001 %	750 %
A. My organisation has written standards of ethical business conduct that provide guidelines for my job	27	34*	20	26*
B. My organisation provides employees with a means of reporting misconduct anonymously, without giving their name or other information that could easily identify them	41	44	28	32*
C. My organisation offers advice or an information helpline where I can get advice about behaving ethically at work	41	53*	25	26
D. My organisation provides training on standards of ethical conduct	39	50*	22	27*

*Statistically significant differences at the 95% level of confidence compared with the total sample.

Differences between sub-groups

This Survey suggests that **public sector employees in continental Europe are more likely to say their organisation has three of the four aspects of a formal ethics programme in place** than employees in the private sector (see Figure 6).

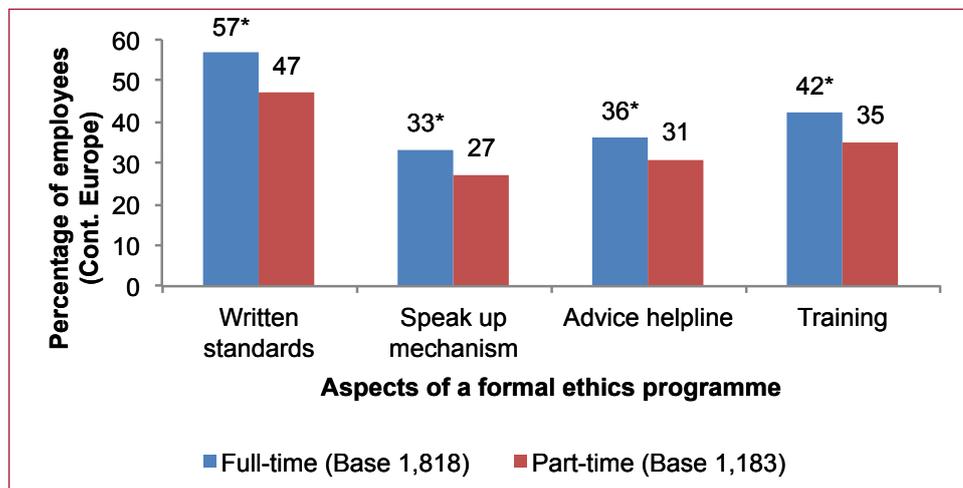
Figure 6 Formal ethics programme in place (Q4) ("Agree") - public vs. private sector



*Statistically significant difference at the 95% level of confidence compared with private sector data.

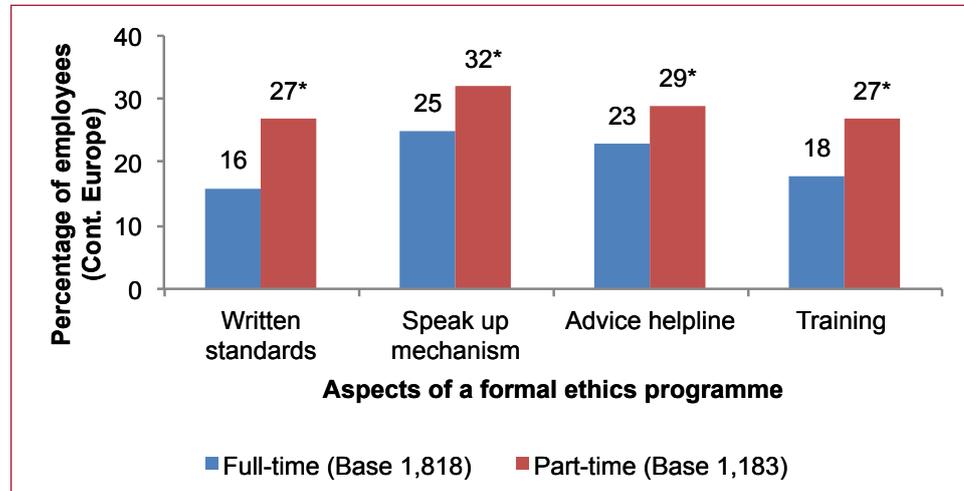
In contrast to the responses for Question 5 (indicators of ethical culture – see Part 2), for which full-time employees were more negative, **full-time employees were more likely to “Agree” that their organisation has in place each aspect of a formal ethics programme** than part-time employees (see Figure 7). In addition, part-time employees were more likely to answer “Don’t know” to each of the four statements than full-time employees (see Figure 8). It is important that continental European organisations communicate the existence of their ethics programme to all staff effectively, as awareness of ethics programmes among those working part-time is lower than among those working full-time.

Figure 7 Formal ethics programme in place (Q4) ("Agree") - full vs. part-time employees



*Statistically significant differences at the 95% level of confidence compared with the corresponding sub-group.

Figure 8 Formal ethics programme in place (Q4) ("Don't know") - full vs. part-time employees



*Statistically significant differences at the 95% level of confidence compared with the corresponding sub-group.

2. Ethics programmes and employee behaviour

Is there a relationship between the presence of a formal ethics programme (Question 4 above) and perceptions of ethical behaviour at work (Questions 1, 2, 3 and 6 – see Part 1)? Comparisons were made between the results of these questions to see if such a (non-causal) relationship exists.

Honesty

Table 12 shows that higher proportions of employees who said their organisation has each of the four aspects of a formal ethics programme in place, also said honesty was practiced "Always/Frequently" in their organisation's daily operations. **This indicates a formal ethics programme may help cultivate a culture of honesty – though the responses from Spanish employees suggest that this is not always the case.**

Table 12 Formal ethics programme in place and honest business conduct (Q4 vs. Q1)

Honesty is practiced (Q1)	Base	Always/Frequently %
Total sample	3,001	77
Written standards	1,623	86
Speak up mechanism	1,031	87
Advice helpline	917	89
Training	1,186	87

Note: All results have statistically significant differences at the 95% level of confidence compared with the total sample.

Pressure to act unethically

Table 13 shows that for **each aspect of an ethics programme organisations have in place, employees are more likely to say they did not feel pressured to compromise ethical standards** when compared to the total sample.

Table 13 Formal ethics programme in place and perception of pressure to compromise ethical standards (Q4 vs. Q6)

Did not feel pressure to compromise ethical standards (Q6)	<i>Base</i>	No %
<i>Total sample</i>	1,623	71
Written standards	1,031	76
Speak up mechanism	917	77
Advice helpline	1,186	78
Training	1,623	77

Note: All results have statistically significant differences at the 95% level of confidence compared with the total sample.

Awareness of ethical misconduct

The data presented in Table 14 shows that for **each aspect of an ethics programme an organisation has in place, higher proportions of employees said they have not been aware of misconduct** in the past year in their organisation, compared to the total sample. This may suggest a link between ethics programmes and reduced levels of misconduct in organisations.

Table 14 Formal ethics programme in place and awareness of unethical conduct (Q4 vs. Q2)

Not aware of misconduct (Q2)	<i>Base</i>	No %
<i>Total sample</i>	1,623	60
Written standards	1,031	67
Speak up mechanism	917	68
Advice helpline	1,186	71
Training	1,623	67

Note: All results have statistically significant differences at the 95% level of confidence compared with the total sample.

Raising concerns about misconduct

Following on from this, a comparison was made to establish whether there is a link between a formal ethics programme and levels of reporting among those employees aware of misconduct. The data in Table 15 indicates there is such a link.

Table 15 Formal ethics programme in place and reporting of unethical conduct (Q4 vs. Q3)

Reported concerns (Q3)	Base	Yes %
Total sample	831	51
Written standards	415	59
Speak up mechanism	229	64
Advice helpline	226	63
Training	292	63

Base: Employees who were aware of misconduct. Caution: Indicative findings due to small base sizes.

Note: All results have statistically significant differences at the 95% level of confidence compared with the total sample.

Finally, the data was analysed to establish if there were any links between the presence of a formal ethics programme (Question 4) and indicators of an ethical culture (Question 5). Table 16 shows that those **employees who said their organisation has each aspect of a formal ethics programme in place consistently scored their organisation significantly higher on all seven positive indicators of ethical culture** (see Table 6 for the full question wording of the statements in Question 5). For example, Table 16 shows that 64% of continental European employees “Agreed” that their line manager sets a good example of ethical business behaviour. The proportion of employees agreeing with this statement was significantly higher among those who also said their organisation provided written standards of ethical business conduct (77%).

Table 16 Formal ethics programmes and indicators of ethical culture in place (Q4 vs. Q5)

	Manager sets an example [agree]	Manager explains importance [agree]	Manager supports me on ethics [agree]	Org disciplines unethical behaviour [agree]	Org acts responsibly [agree]	Org lives up to social responsibility [agree]	Issues of right and wrong are discussed [agree]
Total sample (Base 3,001)	64 %	57 %	60 %	54 %	66 %	63 %	45 %
Written standards (Base 1,601)	77	76	76	70	79	80	59
Speak up mechanism (Base 917)	83	82	84	78	85	85	72
Advice helpline (Base 1,021)	83	81	84	76	84	86	69
Training (Base 1,182)	81	80	81	75	82	83	68

Note: All results have statistically significant differences at the 95% level of confidence compared with the total sample.

Concluding Remarks

This Paper presents the results of the first IBE Continental Europe Ethics at Work Survey. Full and part-time employees in France, Germany, Italy and Spain were surveyed online about their opinions of ethical standards and behaviour in their workplace.

There were a number of positive findings (see Executive Summary). Overall however, compared (indicatively) with British employees' views, employees in continental Europe feel their organisations do not appear to be as advanced in embedding ethical values into the way they do business. For example, in continental Europe higher proportions of employees said they had been aware of misconduct in the past year in continental Europe (28% compared to 20% of British full-time employees) and that they had been pressured to compromise standards (22% compared to 9% of British full-time employees).

The Survey findings also indicate that there are several significant differences in employees' experiences and perceptions of ethics in their workplace between continental European markets. From this it is advisable that organisations operating across Europe take these differences into account when considering the objectives and implementation of their ethics programme.

This data could be used by organisations operating in the four markets to benchmark their ethical culture and performance against the 'national averages' presented here.

Appendix 1

IBE 2012 Continental Europe Ethics at Work Survey Questionnaire

Institute of Business Ethics
Continental Europe Ethics at Work Questionnaire
March - April 2012

Q1: In your organisation's daily operations, would you say that honesty is practised...?

- Always
- Frequently
- Occasionally
- Rarely
- Never
- Don't know

Q2: During the past year at work, have you been aware of any conduct by your employer or colleagues that you thought either violated the law or your organisation's ethical standards?

- Yes
- No
- Don't know

Q3: [If yes] Did you raise any of your concerns with management, another appropriate person or through any other mechanism?

- Yes
- No
- Don't know

Q4: The statements below relate to the information and assistance that your employer provides to support ethical business practice. Please indicate whether you agree or disagree with each.

Agree / Disagree / Don't know

- a) My organisation has written standards of ethical business conduct that provide guidelines for my job (for example a code of ethics, a policy statement on ethics or guidance on proper business conduct).
- b) My organisation provides employees with a means of reporting misconduct anonymously, without giving their name or other information that could easily identify them.
- c) My organisation offers advice or an information helpline where I can get advice about behaving ethically at work.
- d) My organisation provides training on standards of ethical conduct.

Q5: To what extent do you agree or disagree with the following?

Agree strongly / Agree / Disagree / Disagree strongly / Don't know

- a) My line manager generally sets a good example of ethical business behaviour.
- b) My line manager explains to staff and colleagues the importance of honesty and ethics in the work we do.
- c) My line manager rewards employees who get good results even if they use practices that are ethically questionable.
- d) My line manager supports me in following my organisation's standards of ethical behaviour.
- e) My organisation disciplines employees who violate my organisation's ethical standards.
- f) My organisation acts responsibly in all its business dealings (with customers, clients, suppliers, etc.).
- g) My organisation lives up to its stated policy of social responsibility.
- h) Ethical issues of 'right and wrong' are discussed in staff meetings.

Q6: Have you felt pressured to compromise your organisation's standards of ethical conduct?

- Yes
- No
- Sometimes
- Don't know

Appendix 2

Survey Respondent Profiles

Presented below are the respondent profile breakdowns for France, Germany, Italy and Spain.

France

	2012	%	
Total number	750	100	
Male	341	52	
Female	409	48	
Public sector	261	35	
Private sector	489	65	
Full-time	438	61	
Part-time	312	39	
18 - 34	217	31	
35 - 54	282	54	
55+	251	15	

Note: All percentages are weighted to reflect the make-up of the French population.

Germany

	2012	%	
Total number	750	100	
Male	351	54	
Female	399	46	
Public sector	221	27	
Private sector	529	73	
Full-time	408	57	
Part-time	342	43	
18 - 34	177	28	
35 - 54	298	53	
55+	275	18	

Note: All percentages are weighted to reflect the make-up of the German population.

Italy

	2012	%	
Total number	750	100	
Male	366	59	
Female	384	41	
Public sector	231	24	
Private sector	519	76	
Full-time	435	57	
Part-time	315	42	
18 - 34	214	25	
35 - 54	275	60	
55+	261	15	

Note: All percentages are weighted to reflect the make-up of the Italian population.

Spain

	2012	%	
Total number	751	100	
Male	385	55	
Female	386	45	
Public sector	287	35	
Private sector	464	65	
Full-time	537	71	
Part-time	214	29	
18 - 34	220	28	
35 - 54	283	59	
55+	248	13	

Note: All percentages are weighted to reflect the make-up of the Spanish population.

Appendix 3

A Note on Statistical Method

The sample tolerances that apply to the percentage results in this Survey, based on a 95% confidence level, are given below in App 1. This table shows the possible variation that might be anticipated because a sample of 3,001 respondents, rather than the entire population, was interviewed. The sampling tolerances vary with the size of the sample and the size of the percentage results.

App 1

Size of sample on which Survey results are based	Approximate sampling tolerances applicable to percentages at or near these levels*				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
	±	±	±	±	±
3,001 interviews	1	1	2	2	2
750 interviews (per market)	2	3	3	4	4

Source: ComRes

* Based on 95 chances in 100.

App 2 shows examples of differences required for significance at or near certain percentage levels.

App 2

Size of samples /sub-samples	Approximate sampling tolerances – greater differences are required for significance at or near these percentage levels*				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
	±	±	±	±	±
750 and 750 (between markets)	4	4	5	5	6
1,443 and 1,558 (men and women)	3	3	4	4	4
1,000 and 2,001 (public vs. private)	3	4	4	4	4
1,468 and 1,269 (salary less than €1,500 a month vs. salary more than €1,500 a month)	3	4	4	4	4

Source: ComRes

* Based on 95 chances in 100.

Differences at, or lower than, the margins given above will only allow for the identification of indicative trends rather than statistically significant differences. The data was also broken down according to key demographics of gender, income and whether respondents work in the public or private sector, and some survey data were cross-tabulated (i.e. individual countries compared against one another). In this Paper, reference is made where these findings showed significant deviations from the results of the total sample and/or from the other sub-groups in the same category.



The Institute of Business Ethics

The IBE was established in 1986 to encourage high standards of business behaviour based on ethical values.

Our vision To lead the dissemination of knowledge and good practice in business ethics.

What we do We raise public awareness of the importance of doing business ethically, and collaborate with other UK and international organisations with interests and expertise in business ethics.

We help organisations to strengthen their ethics culture and encourage high standards of business behaviour based on ethical values. We assist in the development, implementation and embedding of effective and relevant ethics and corporate responsibility policies and programmes. We help organisations to provide guidance to staff and build relationships of trust with their principal stakeholders.

We achieve this by

- Offering practical and confidential advice on ethical issues, policy, implementation, support systems and codes of ethics
- Delivering training in business ethics for board members, staff and employees
- Undertaking research and surveys into good practice and ethical business conduct
- Publishing practical reports to help identify solutions to business dilemmas
- Providing a neutral forum for debating current issues and meetings to facilitate the sharing of good practice
- Supporting business education in the delivery of business ethics in the curriculum
- Offering the media and others informed opinion on current issues and good practice.

The IBE is a charity based in London; its horizons are international as it works with global corporations based in the UK and overseas. Our work is supported by donations from corporate and individual subscribers.

The IBE's charity number is 1084014.



Employee Views of Ethics at Work: 2012 Continental Europe Survey

This IBE Paper presents the results of the first IBE Ethics at Work Survey of employees in continental Europe, conducted in 2012. The Survey measured the attitudes of full and part-time staff to workplace practices in the public and private sectors of France, Germany, Italy and Spain, their perceptions of others' behaviour and the general culture in their organisations.

The continental Europe Survey data also allowed for indicative comparisons with the results of the 2012 British Ethics at Work Survey.

By demonstrating that a strong ethical culture does have a positive effect on employee attitudes and perceptions of behaviour, this Paper provides a useful insight into what companies and other organisations can do to influence ethical standards in each of the four markets.

Designed & produced by Navigate, Petersfield

Price £10 Free PDF available from www.ibe.org.uk

ISBN 978 1 908534 05 7

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First published December 2012
by the Institute of Business Ethics
24 Greencoat Place
London SW1P 1BE

Registered Charity No. 1084014

www.ibe.org.uk