



Ethics at Work

2018 survey of employees

United Kingdom

By Guendalina Dondé



Published by

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Ethics at Work: 2018 survey of employees – United Kingdom

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First published September 2018
by the Institute of Business Ethics
24 Greencoat Place
London SW1P 1BE

Registered Charity No. 1084014

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Acknowledgements

The IBE would like to thank the following organisations for their generous financial support of this survey:

Gold Supporter			
			
Silver Supporters			
	L'ORÉAL	centrica	Morgan Stanley
Bronze Supporter			
			

Many people and organisations have made this survey report possible. In addition to the financial support provided by the companies listed above, particular thanks goes to Chris Cowton, Professor of Financial Ethics at Huddersfield Business School and Trustee of the IBE, who provided the National Reviewer's commentary. We are grateful to ComRes for their help and support in producing the data for the report. We are also thankful for the input of all IBE staff, and especially Sophie Hooper Lea who edited the text and oversaw production. Thanks also to Neil Pafford who designed the publication.

IBE Foreword

This publication of UK data marks a transition in the IBE's triennial survey of the attitudes of employees to ethics in the workplace. The survey was first run just in Great Britain (England, Scotland and Wales) in 2005 through to 2015, but has now been extended to include Northern Ireland. This therefore covers the whole of the UK and the methodology used has switched from face-to-face interviews to an online survey, as explained in the introduction to the research.

Set against the backdrop of the current business environment, it is interesting to see how UK employees view ethics at their place of work, whether in the private or public/third sectors and according to their gender or age. These additional correlations illustrate different attitudes and hence they reflect the culture within an organisation.

Culture is now widely recognised as an important factor in the health of an organisation. The summary findings highlight the importance of middle managers and the role they have in embedding an ethics programme, together with the part incentives can play in encouraging an ethical culture. Organisations need to pay attention to these two areas in particular.

We are grateful to all those who have provided financial support for this survey (see page 4) and, in particular, our Gold Supporter Rolls-Royce. Also, I thank ComRes for undertaking the survey for us. Reports on all the countries surveyed will be available by the end of 2018. Finally, I am very grateful to Guendalina Dondé, IBE's Senior Researcher, for her analysis and authorship, ably aided by Katja Somasundaram, Researcher.

We look forward to receiving your feedback and insight on these survey findings.



Philippa Foster Back CBE
Director
Institute of Business Ethics





National Reviewer's Comment

The IBE was established to encourage high standards of business behaviour based on ethical values. This requires, among other things, a knowledge of where we are and an understanding of current pressures and trends. The triennial *Ethics at Work* survey report provides a valuable picture of the situation in the UK, both for the IBE itself and for those whom it seeks to support and influence.

Based on a survey of the people who are probably the best placed to know what's happening – the employees – this report sets out an array of facts and figures, highlighting major findings and issues. How you interpret all this information probably depends on whether you are a 'glass half-full' or 'glass half-empty' kind of person. Certainly, the overall picture suggests that the IBE's job is not yet done, but neither is it fighting a lost cause. The IBE will be feeding the results into its programme of activities and services.

There are some positive assessments by many employees – but unfortunately not all of them. One thing this shows is that the way in which much public debate about things like trust in business or the behaviour of managers tends to be conducted is unhelpful, not to say misleading. It is wrong, whether you are an unremitting critic of business or a strident apologist, to say 'business is like *this*' or 'managers are like *that*'. The report demonstrates that some employees witness and experience poor practice, while others encounter good practice – some of it no doubt influenced by the IBE. This report is not the final word about the ethics of business, but it provides a more nuanced picture of contemporary business ethics than the kind of simplistic generalisations that we often hear.

Now in its fifth incarnation, the survey is also a useful means of tracking changes over time. The change of methodology means that, on this occasion, differences should be interpreted with care. However, many of the numbers are not much different from 2015 or, at least, not obviously off-trend, which suggests that the change in method has not had as big an effect as might have been feared.



This report demonstrates that some employees witness and experience poor practice, while others encounter good practice – some of it no doubt influenced by the IBE



On the plus side, the methodological change has improved the ability to compare the UK with several other countries in Europe, with their results summarised for comparative purposes in this report. Some interesting differences are identified (e.g. the UK seems to be a little more tolerant of 'petty fiddling'), but there is also a sense of similarity. To some extent this presumably reflects the strong links and commonalities in business across the developed world. It will be interesting, though, to see whether future *Ethics at Work* surveys pick up any divergence post-Brexit.

Meanwhile, in the UK results themselves, there are some interesting patterns, some of which invite a little speculation. I will pick one example. As previously mentioned, we see some tolerance of 'petty fiddling', such as personal use of the telephone or internet at work or taking pens and pencils. In a separate finding, when the 12% of employees who felt pressurised to compromise ethical standards explain why, we see factors such as being under-resourced, time pressure (which can be interpreted as being under-resourced) and following a boss's order (which might itself be them passing on resource, time and other pressures they feel). Perhaps, at least for some employees, petty fiddles are justified in their minds in the context of the great pressure that many find themselves under in contemporary organisations.

What strikes other readers will be influenced by their own experiences and concerns. I hope that businesses and other organisations, subscribers or not, will find the report useful, perhaps following up with their own survey. Moreover, in the light of the finding that most respondents are broadly positive about the behaviour of their line manager, I hope that individual managers will take this report and reflect on how its findings and themes relate to their own practice and how they can develop it further.



Professor Christopher Cowton
Huddersfield Business School
University of Huddersfield
Trustee, Institute of Business Ethics

“

I hope that individual managers will take this report and reflect on how its findings and themes relate to their own practice and how they can develop it further

.....”

Key Findings from the UK

Culture

In your organisation's daily operations, how often would you say honesty is practised?



Always/frequently	81%
Occasionally	13%
Rarely/never	3%
Don't know	3%

Speaking up

33% of employees in the UK who have been aware of misconduct at work decided not to speak up. The main reasons are...

1. I felt I might jeopardise my job **33%**
2. I did not believe that corrective action would be taken; I felt I might alienate myself from my colleagues **26%**
3. I felt it was none of my business **22%**



Behaviour

24% of UK employees have been aware of misconduct at work. The most common types of misconduct they noticed are...



People treated inappropriately/unethically	48%
Bullying and harassment	40%
Safety violations	35%

12% of UK employees have felt pressured to compromise ethical standards. The main pressures are...

1. We were under-resourced **35%**
2. Time pressure **34%**
3. I was following my boss's orders **28%**

Ethics programme

The majority of respondents in the UK are aware of each of the building blocks of an ethics programme in their organisation.



My organisation...

- Has written standards of ethical business conduct that provide guidelines for my job **69%**
- Provides employees with a means of reporting misconduct confidentially **64%**
- Offers advice or an information helpline where I can get advice about behaving ethically at work **51%**
- Provides training on standards of ethical conduct **56%**

Introduction to the Research

What are employees' attitudes to and perceptions of ethics in their place of work? Do they feel able to speak up if they have been aware of misconduct? Are formal ethics programmes effective in embedding ethical values into organisational culture and influencing behaviour? Have perceptions changed over time? What are the challenges for organisations and what should be the focus going forward?

The Institute of Business Ethics (IBE) has asked similar questions of the British workforce every three years since 2005. This survey report presents results from the IBE's 2018 research into ethics at work in the UK (England, Scotland, Wales and Northern Ireland). Data was collected online by the research consultancy ComRes on behalf of the IBE in February 2018.

The 2018 survey includes the same questions for comparison purposes, but the research methodology in the UK has changed from face-to-face interviews to an online survey, to achieve further comparability across all countries surveyed. From 2005 to 2015, data in Great Britain was collected through a public research survey by Ipsos MORI on behalf of the IBE. Interviews were conducted face-to-face with full time workers in Great Britain (England, Scotland and Wales).

This alteration in methodology is aimed at improving comparability of data between the different countries surveyed. However, this change has an impact on the ability to track changes over time in the UK and has to be kept in mind when comparing data in this country.

Given that organisations are increasingly taking an integrated approach at the international level, the number of countries included in the research has been expanded to cover France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and the UK within Europe, as well as Australia, Canada, Singapore and New Zealand.

Please see *Ethics at Work: 2018 survey of employees – Europe* for further detail and background information as well as comparisons with the other European countries surveyed. *Ethics at Work* reports for all of the countries surveyed will be available to download free of charge from the IBE website.

The aims of the IBE *Ethics at Work: 2018 survey of employees – United Kingdom* were as follows:

- To **develop** an understanding of employees' attitudes to and perceptions of ethics in the workplace in 2018
- To **identify** trends and developments through comparisons with data from the IBE's previous *Ethics at Work* surveys
- To **compare** how business ethics is viewed and understood by employees in different countries.

“

The IBE has asked similar questions of the British workforce every three years since 2005

.....”

This report details survey findings from a nationally representative sample of 764 employees in the UK. The research methodology and respondent profiles are presented in Appendix 1. The interview questionnaire (see Appendix 2) consists of 14 questions.

The report is structured in two chapters:

Chapter 1 highlights three key themes that emerged from the research and that define employees' views on ethics at work in 2018. These relate to assessing the ethical culture of an organisation, identifying ethical risks and supporting ethical standards.

Chapter 2 focuses on two specific issues that have a major impact on the culture of an organisation: the ability of employees to voice their ethics-related concerns and the role of line managers in promoting ethics in the workplace.

Four different subgroups of the employee population have been analysed to see if there are any differences in their experience of ethics in the workplace.

These are:

Gender (male/female)	
Age (younger employees aged 18-34/ mid-career employees aged 35-54/ older employees aged 55+)	
Sector (public and third sector/ private)	
Size of organisation (small and medium-sized enterprises - SMEs/ large organisations with more than 250 employees)	

The seniority of respondents has been used to analyse how attitudes to ethics at work change between managers and non-managers, as illustrated in Chapter 2.

To put the UK results in context, throughout this report they are compared to the average data from all of the eight European countries surveyed in 2018, including the UK. Due to the difference in the methodology used and the number of countries surveyed, the European average is only shown for 2018.



Survey Themes

Taking the ‘ethical temperature’ of an organisation is not an easy task. ‘One-size-fits-all’ approaches rarely work when it comes to understanding people’s behaviour and it is difficult to represent concepts such as honesty, integrity and fairness with numbers.

The IBE’s survey looks at three critical dimensions that responsible organisations need to take into account to ensure that their ethical values are effectively embedded in practice.

- Theme 1: **Assessing the ethical culture**
- Theme 2: **Identifying ethical risks**
- Theme 3: **Supporting ethics at work**

Theme 1: Assessing the ethical culture

The IBE’s experience shows that assessing ethical culture is essential to understanding the role that ethics plays in the organisation and how deeply the core values are rooted in the day-to-day decision-making process.

The results presented in this section illustrate the views of UK employees on some indicators of corporate culture.

What is acceptable?

Are employees able to identify ethical issues relating to everyday choices that they might have to face in the workplace? To what extent do they apply ethical values to their decision-making?

To answer these questions, respondents to this survey were presented with nine common work-related scenarios and were asked whether or not they considered them acceptable. Figure 1 shows that pretending to be sick to take a day off; minor fiddling/exaggeration of travel expenses and charging personal entertainment to expenses are considered the most unacceptable practices, in line with the European average.

It is worth noting that, with the exception of favouring family or friends when recruiting or awarding contracts, UK employees seem to take a more lenient approach than the European average to each of the practices. A higher percentage of respondents say they are acceptable. For the first time since this question was first asked in 2008, one of these issues (making personal phone calls from work) is considered acceptable by more than half of UK respondents (53%).

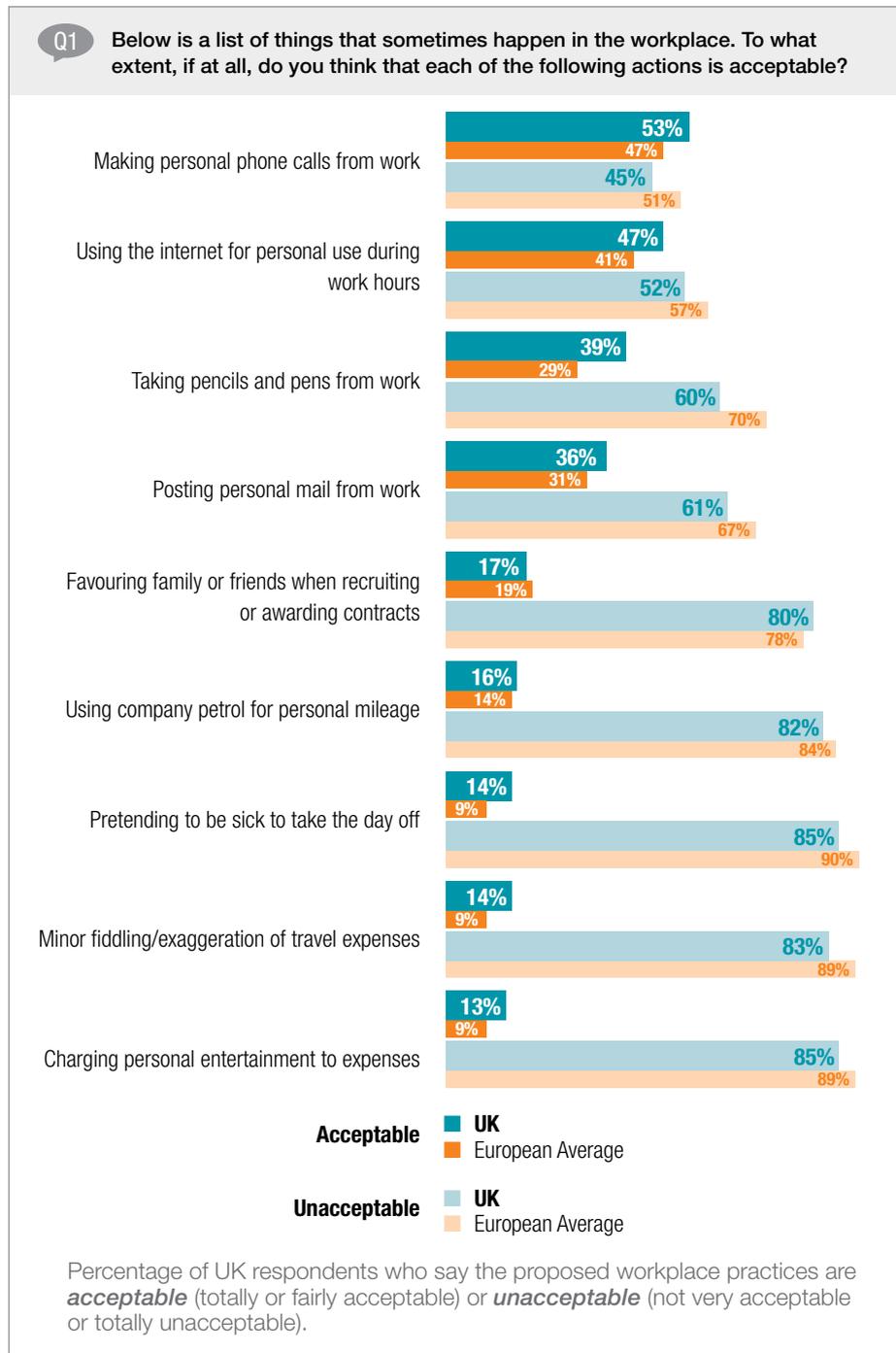
Although some of these issues may seem trivial, respondents’ answers are important indicators of what kinds of behaviour are considered acceptable as well as where employees’ ethical boundaries lie. Employees either ignoring or being unable to identify the ethical dimensions of a specific situation will increase the ethics risk for organisations.



UK employees seem to take a more lenient approach than the European average to a series of questionable workplace practices



Figure 1 Acceptability of common workplace practices ¹



Men are more likely than women to say that charging personal entertainment to expenses is acceptable (15% compared to 10% of women).



Younger employees aged 18-34 are the most likely to find each of the questionable workplace practices acceptable. **Older employees**, aged 55+, are the least likely to do so.



Employees in **SMEs** are more likely to say that it is acceptable to pretend to be sick to take a day off (17% compared to 11% of those in large organisations); use company petrol for personal mileage (20% compared to 14% of those in large organisations) and favour friends and family when awarding contracts (24% compared to 11% of those in large organisations).

Is honesty applied in practice?

Another important issue to understand in order to assess the workplace culture is how employees perceive their organisation's commitment to ethical values, and the degree to which this is effectively embedded in practice. This can be seen through employees' views of the behaviour of their colleagues and managers.

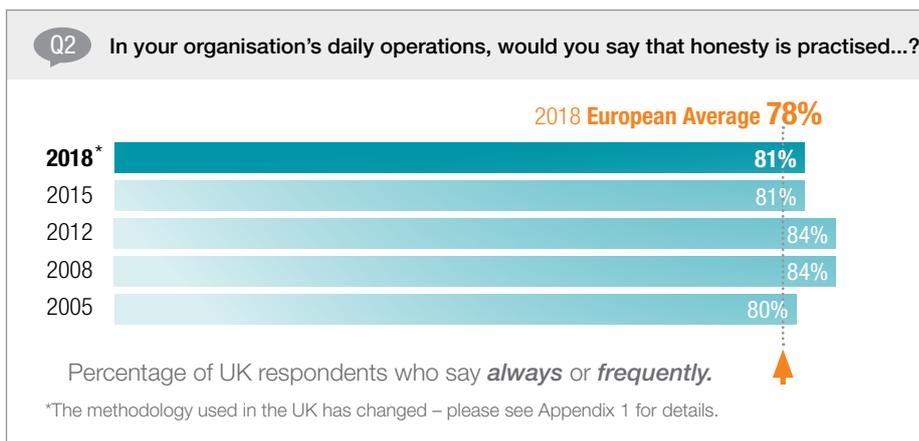
¹ The European average includes all respondents in France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and the UK. Data for each country was weighted to make it representative of the workforce by age, gender and region, but no further weighting has been applied in order to give each country equal weight.

Whilst the ethical values that organisations adopt are varied, honesty is one of the most frequently mentioned value-words in business. Figure 2 presents the percentages of employees who think honesty is practised always or frequently in the UK, compared with the European average. Results show that employees in the UK are consistently more likely than the European average to say that honesty is practised either frequently or always in the workplace.

However, it is worth noting that employees in the UK also appear to have a more lenient approach to most of the workplace practices listed in Figure 1. This might highlight a potential inability amongst employees to see the ethical dimension of a decision they are making. Research shows that often unethical decisions are not deliberate acts by ‘bad’ people. Rather, they occur where a well-intentioned person has become ‘ethically blind’ – or at least challenged – as a result of any number of individual, organisational or societal pressures. Recognising different contributory influences and averting ethical blindness is crucial to preventing unethical behaviour. ²

“
Employees in the UK are consistently more likely than the European average to say that honesty is practised either frequently or always in the workplace
.....”

Figure 2 Employees’ views of how frequently honesty is practised



Older employees
aged 55+ (90%) are more likely to say that honesty is practised always or frequently than employees in other age groups (80% of 35-54 year olds and 78% of those aged 18-34).

How are stakeholders treated?

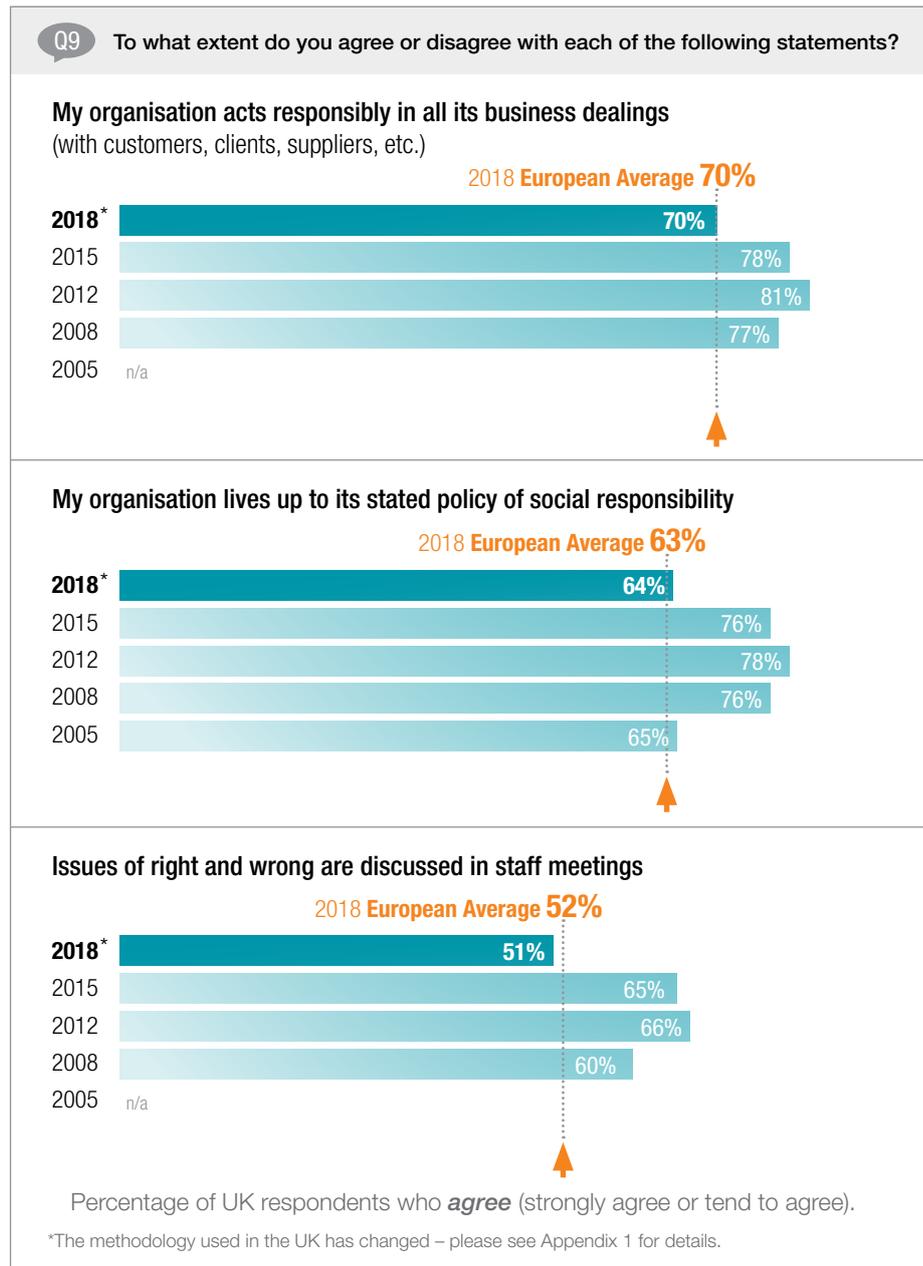
To understand employees’ perceptions of their organisation’s engagement with stakeholders, respondents were asked to comment on whether they believe that their organisation acts responsibly in all its business dealings with key stakeholder groups such as customers, clients, suppliers, etc. Respondents were also asked more specific questions relating to internal and external stakeholders: whether their organisation lives up to its stated policy of social responsibility and whether ethical issues are discussed in staff meetings.

Results from 2018 show that employees in the UK are aligned with the European average in terms of how they perceive their organisation’s engagement with stakeholders: 70% of UK employees say that their organisation acts responsibly in all its business dealings; 64% of UK employees say that their organisation lives up to its stated policy of social responsibility and 51% say that issues of right and wrong are discussed in staff meetings.

² See A. E. Tenbrunsel and D. M. Messick (*Social Justice Research*, Volume 17, 2004) *Ethical Fading: the role of self-deception in unethical behavior* and M. E. Drumwright and P. E. Murphy (*Journal of Advertising*, Volume 33, 2004) *How Advertising Practitioners View Ethics: moral muteness, moral myopia, and moral imagination*. See also IBE (2018) *How Behavioural Ethics can Improve your Ethics Programme*.

However, a comparison with UK data from previous years shows that, in 2018, UK employees seem to have a somewhat less positive view of the way their organisation engages with stakeholders for all three elements analysed. After a peak in 2012, the percentage of employees who agree with each of these statements has declined. However, the change in the survey methodology used in the UK in 2018 might partially account for this difference.

Figure 3 Perceptions of engagement with internal and external stakeholders



70% of UK employees say their organisation acts responsibly in all its business dealings



Women have a more positive outlook on how their organisation engages with its stakeholders. 74% of women believe that their organisation acts responsibly in all its business dealings (compared to 67% of men). Similarly, 56% of women think that issues of right and wrong are discussed at team meetings (compared to 47% of men).



Younger employees aged 18-34 have a more positive view of how their organisation engages with staff on ethics: 59% think that issues of right and wrong are discussed in staff meetings, compared to 49% of mid-career employees aged 35-54 and 43% of older employees aged 55+.

Theme 2: Identifying ethical risks

This survey focuses on two measures that indicate an increased risk of ethical lapses and unethical behaviour: employees’ awareness of misconduct in the workplace and potential pressure on employees to compromise their organisation’s ethical standards.

How common is unethical behaviour?

Respondents were asked to state whether, during the past year at work, they have been aware of any misconduct – i.e. any conduct by their employer or colleagues that they thought violated either the law or their organisation’s ethical standards. Figure 4 illustrates the results.

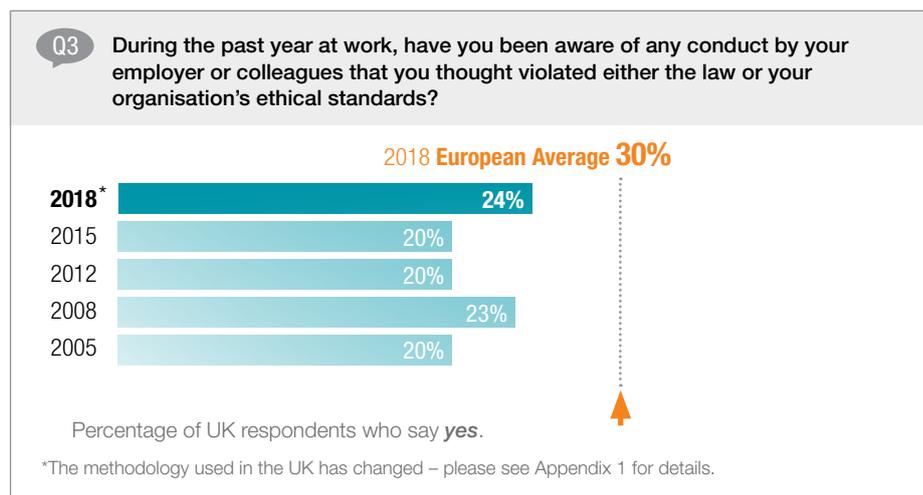
In 2018, a quarter (24%) of employees in the UK say they have been aware of misconduct in the workplace, which is below the European average (30%). However, the overall percentage of employees who have been aware of misconduct has risen since 2015.

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A quarter (24%) of employees in the UK say they have been aware of misconduct in the workplace

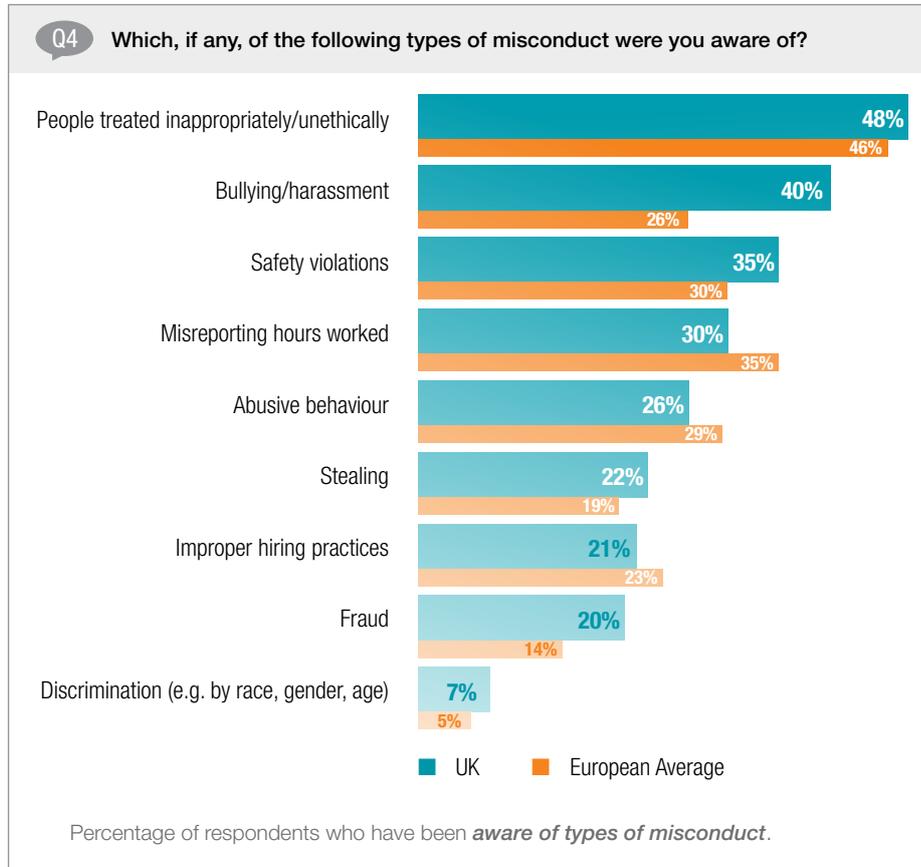
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Figure 4 Awareness of ethical violations



Those respondents who have been aware of misconduct were then asked to specify the types of misconduct they had encountered, as illustrated in Figure 5. People treated inappropriately or unethically is the most frequent type of misconduct mentioned (48%), followed by bullying and harassment (40%) and safety violations (35%).

Figure 5 Types of misconduct of which employees were aware



There is an indication that **men** may be more aware of instances of fraud than women. 25% of men who have been aware of unethical practices in the last year say they were aware of fraud, while only 13% of women who have been aware of unethical practices say this.



Younger employees aged 18-34 and those aged 35-43 in **mid-career** (both 26%) are more likely to have been aware of misconduct at work than their older colleagues aged 55+ (16%).



Employees in the **private sector** who have been aware of unethical practices in the past year, are more likely than those in the public sector aware of unethical practices to say that they were aware of abusive behaviour (31% compared to 18%) and safety violations (42% compared to 25%).

Focus on...

Implications of being aware of misconduct

This survey shows that, in the UK, employees who have been aware of legal or ethical violations during the past year at work are more likely to have:

! Lenient attitudes to some questionable workplace practices.

Employees who have been aware of misconduct during the past year at work are more likely to find certain ethically questionable workplace practices acceptable. For instance, 23% of employees who have been aware of misconduct say that pretending to be sick to take a day off is acceptable, compared to 11% of those who haven't been aware of misconduct. Similarly, 24% of respondents who have been aware of misconduct say that favouring family or friends when recruiting or awarding contracts is acceptable, compared to only 15% of those who haven't been aware of misconduct.

! A negative perception of how frequently honesty is practised at work.

Respondents who have been aware of misconduct are also less likely to say that honesty is practised in their organisation's daily operations: 77% say that honesty is practised at least frequently, in comparison with 86% of those who have not been aware of misconduct.

continues >

Focus on... *continued*



! A negative outlook on how the organisation engages with its stakeholders. Only 64% of respondents who have been aware of misconduct at work agree that their organisation acts responsibly in all its business dealings, in comparison with 74% of respondents who have not been aware of misconduct. Similarly, those who have been aware of misconduct are less likely to agree that their organisation lives up to its stated policy of social responsibility (58% compared to 68% of employees who were not aware of misconduct).

! Felt pressured to compromise ethics. A third of employees (33%) who have been aware of misconduct have felt pressured to compromise their organisation’s ethical standards, compared to 5% of employees who were not aware of ethical misconduct.

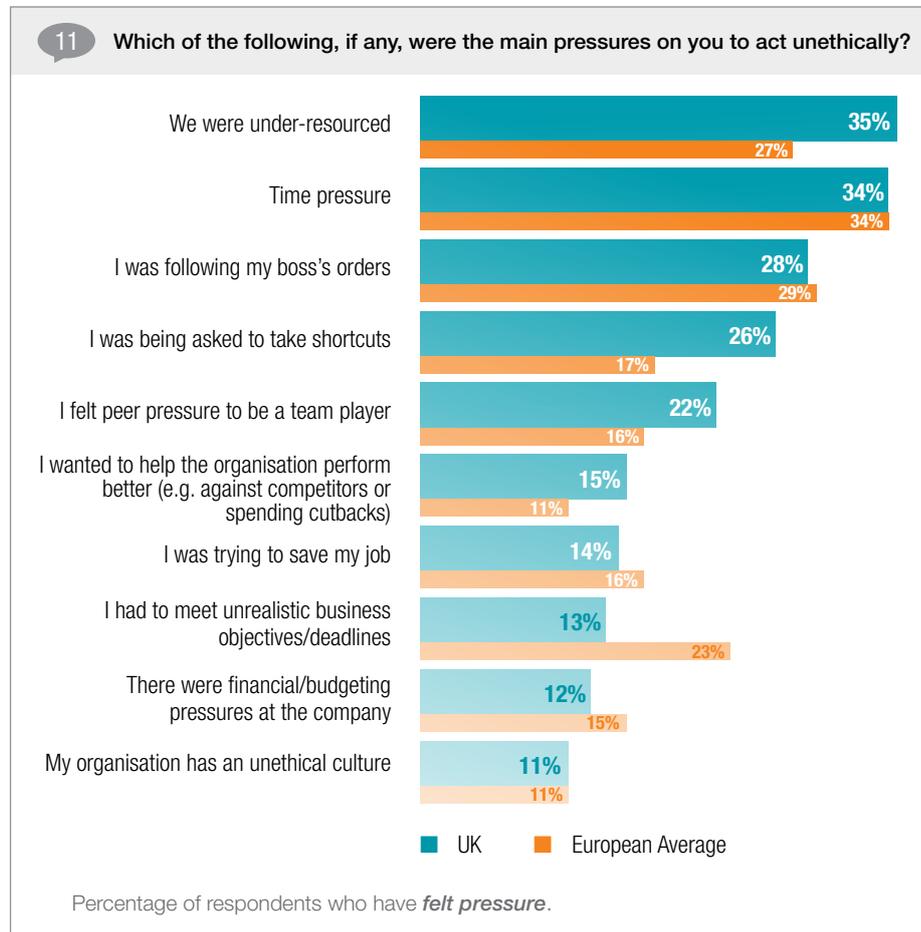
Are employees pressured to compromise ethics?

One in ten (12%) UK respondents say they have felt some form of pressure to compromise their current organisation’s standards of ethical behaviour. This is below the European average (16%) but the UK figure has increased from 8% in 2015. Figure 6 illustrates the sources of pressure experienced by the 12% of UK employees who have felt pressured.



One in ten (12%) UK respondents say they have felt some form of pressure to compromise their current organisation’s standards of ethical behaviour

Figure 6 Types of pressure to compromise ethical standards



Focus on...

Implications of pressures to compromise ethical standards

This survey shows that employees in the UK who have felt pressured to compromise their organisation's standards of ethical conduct are more likely to have:

! Lenient attitudes to some questionable workplace practices.

Employees who have felt pressured to compromise ethics are more likely to find a wider range of questionable workplace practices acceptable. For instance, 32% of employees who have felt pressured say that charging personal entertainment to expenses is acceptable, compared to 9% of respondents who haven't felt pressured.

! A negative outlook on how the organisation engages with its stakeholders. Employees who have felt pressured to compromise their organisation's ethical standards are more likely to disagree that their organisation engages responsibly with all its stakeholders. For example, 23% of them disagree that their organisation acts responsibly in all its business dealings, compared to only 7% of those who haven't felt pressured.

! Been aware of misconduct at work. 66% of employees who have felt pressured to compromise ethical standards also reported that they have been aware of instances of misconduct at work, whilst among those who haven't felt pressured this figure decreases to 18%.

! A negative perception of the ability of managers to promote ethics. The majority of respondents (55%) who have been aware of misconduct at work agree that their line manager rewards good results even if the practices used to achieve them are questionable. Only 30% of those who have not been aware of misconduct agree with this statement.

Theme 3: Supporting ethics at work

The third theme covered in this chapter focuses on the tools that organisations put in place to promote and support ethics at work.

What percentage of organisations provide an ethics programme?

Respondents were asked whether their organisation offers the following building blocks of a formal ethics programme:

- A code of ethics or similar document (written standards of ethical business conduct that provide guidelines for my job)
- A 'Speak Up line' to report misconduct (a means of reporting misconduct confidentially, without giving my name or other information that could easily identify me)
- An 'Advice line' to ask for advice or information (advice or an information helpline where I can get advice about behaving ethically at work)
- Ethics training (training on standards of ethical conduct).

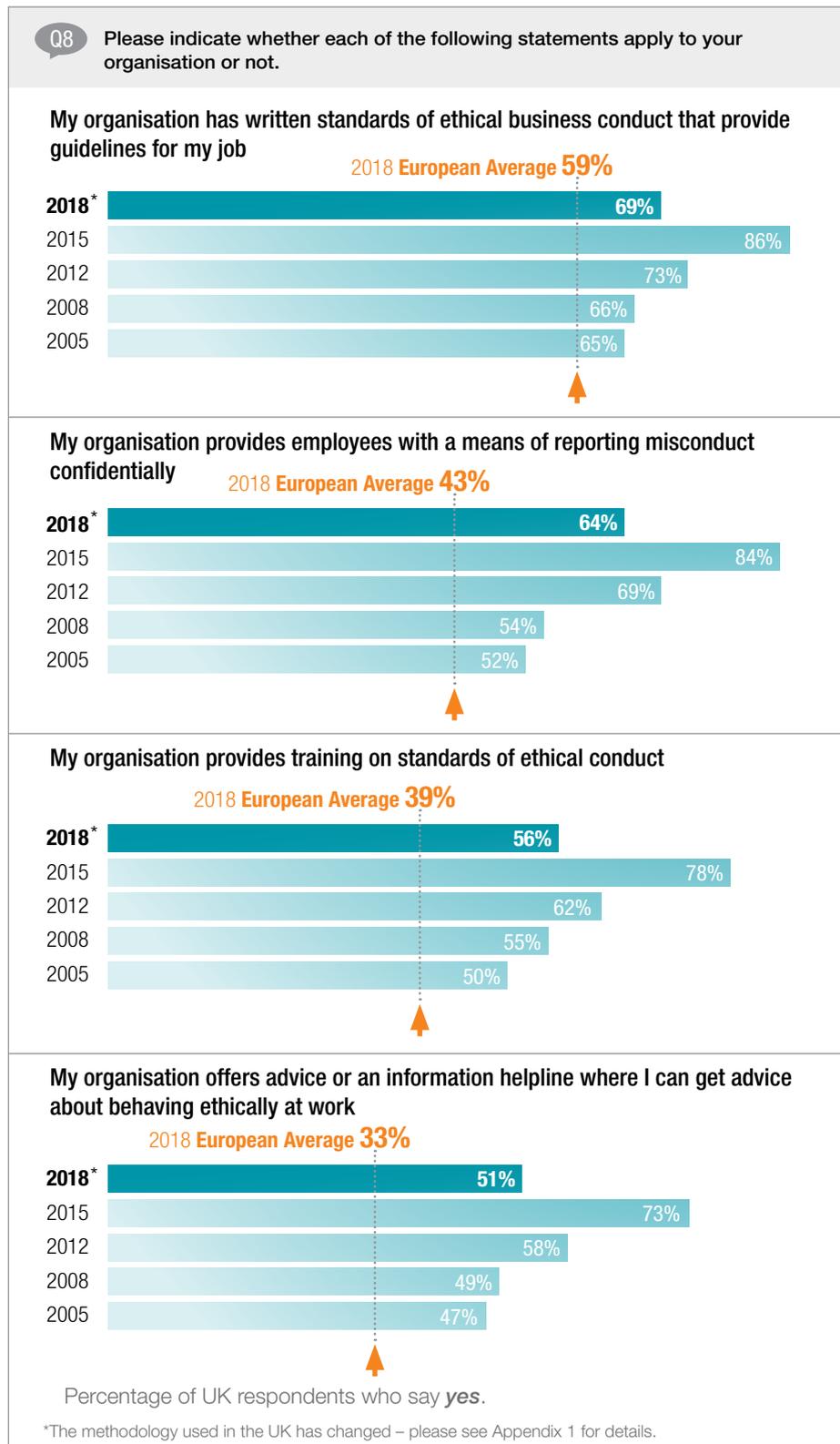
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UK employees are consistently more aware of each of the building blocks of an ethics programme than the European average

.....”

In the UK, 38% of employees say that their organisation provides all four building blocks (compared to 19% on average in Europe), whilst 13% say it offers none (compared to a European average of 21%). As Figure 7 illustrates, UK employees are consistently more aware of each of these building blocks of an ethics programme than the European average.

Figure 7 Employee awareness of the building blocks of a formal ethics programme



Younger employees

aged 18-34 are more aware of each of the four building blocks of an ethics programme than their older colleagues (aged 55+). For instance, 66% of younger employees say their organisation provides ethics training, compared to 56% of mid-career employees aged 35-54 and 37% of older employees.



Employees in the public/third sector

are more aware of each of the four building blocks than employees in the private sector. For instance, 62% of employees in the public/third sector are aware of ethics training compared to 52% in the private sector.



Employees in large organisations

tend to be more aware of each of the four building blocks than those in SMEs. For instance, 65% of employees in large organisations are aware of ethics training compared to 52% in SMEs.

Focus on...

The impact of providing formal support for ethics in the workplace

This survey shows that UK employees whose organisations have a comprehensive ethics programme (all four building blocks) are more likely than those whose employers do not have an ethics programme (none of the building blocks) to have:

✔ **A positive perception of how frequently honesty is practised at work.** 87% of employees whose organisation has a comprehensive ethics programme say that honesty is practised always or frequently in their organisation's daily operations, whilst only 76% of employees in organisations without an ethics programme say so.

✔ **A positive outlook on how the organisation engages with its stakeholders.** Respondents whose organisations provide all four elements of an ethics programme are more likely to have a positive outlook on how their organisation engages with stakeholders. For example, 85% of those respondents say that their organisation acts responsibly in all its business dealings with stakeholders, while only a small majority (54%) of respondents who work for organisations with no ethics programme say so.

❓ **Been aware of misconduct at work.** 26% of employees in organisations with a comprehensive ethics programme say they have been aware of misconduct in their workplace, while the number decreases to 15% among those whose organisation has no ethics programme.

These results seem counterintuitive, especially in comparison with other European countries where employees in organisations with a comprehensive ethics programme are less aware of instances of misconduct than those in organisations with no ethics programme.

However, these results might also indicate that respondents could have an increased ability to identify ethical issues, particularly in the UK where employees seem to have more lenient attitudes to some ethically questionable workplace practices than in other countries.

❓ **A positive perception of the ability of managers to promote ethics but also to think that managers reward employees for good results, even if they use questionable practices.** Employees who work in an organisation that provides a comprehensive ethics programme are more likely to agree with statements indicating that their manager promotes ethical behaviour at work. For example, 77% of employees whose organisations have a comprehensive ethics programme agree that their line manager explains the importance of honesty and ethics at work, compared to only 13% of employees in organisations with no ethics programme.

However, 48% of employees in organisations with all four building blocks of an ethics programme say that their line manager rewards those who get good results, even if they use practices that are ethically questionable, as opposed to only 8% of employees in organisations without an ethics programme.



How do employers incentivise ethical behaviour?

Respondents were asked whether their organisation provides incentives to employees to encourage them to live up to the organisation's ethical standards. Less than a quarter (22%) of UK respondents say that their organisation provides these types of incentives, which is in line with the average across all European countries surveyed (23%).

Respondents who indicated that their organisation does offer incentives to encourage ethical behaviour were also asked for additional information regarding the types of incentive offered. Almost half (47%) of UK employees whose organisation offers incentives say that ethics is part of their annual appraisal/ review. This is very similar to the European average of 45%. Other incentives are public commendation of ethical behaviour such as employee awards (29%, compared to a European average of 25%); taking ethical considerations into account in assessing bonus payments (28%, compared to a European average of 29%) and salary increases (27%, compared to a European average of 20%).

“

Less than a quarter (22%) of UK respondents say their organisation provides incentives to employees to encourage them to live up to the organisation's ethical standards

.....

Focus on...

The impact of providing incentives to encourage ethical behaviour.

This survey shows that although such incentives can potentially have a positive impact on employees' perceptions of ethics at work, in some cases there may be a gap between the objective that an organisation is trying to achieve through its incentive scheme and the practical impact of the incentives offered to employees. Employees in the UK who are aware of their organisation providing incentives are more likely to have:

- ✓ **A positive perception of how frequently honesty is practised at work.** 38% of respondents in organisations that provide incentives to act ethically say that honesty is always practised in their organisation's daily operations, compared to 26% of those whose organisations do not provide incentives.
- ✓ **A positive outlook on how the organisation engages with its stakeholders.** Employees in organisations with incentives to encourage ethical behaviour are significantly more likely to agree with each of the statements relating to stakeholder engagement than those in organisations without such incentives. For example, 76% say that issues of right and wrong are discussed in team meetings (compared to 43% of employees in organisations where incentives are not offered).
- ✓ **Spoken up about misconduct.** Employees in organisations that provide incentives to encourage ethical behaviour may be more likely to speak up about misconduct. 80% of those who have been aware of a legal or ethical violation at work and whose organisation provides incentives to encourage ethical behaviour say that they raised a concern, while only 60% of respondents in this position in organisations without incentives say they spoke up about a concern.

continues >

Focus on... *continued*

Of those reporting a concern, 82% of those in organisations with incentives to encourage ethical behaviour say they are satisfied with the outcome of speaking up, while only 43% are satisfied in organisations that do not provide ethical incentives.

? **A positive perception of the ability of managers to promote ethics but also to think that managers reward employees for good results, even if they use questionable practices.** Overall, employees in organisations that provide incentives to act ethically are more likely than those in organisations without incentives to agree that their line manager sets a good example of ethical behaviour (80% vs 60%); explains the importance of honesty and ethics at work (80% vs 46%) and supports them in following their organisation's ethical standards (77% vs 57%). They are, however, also more likely to say that their line manager rewards results even if they are achieved through ethically questionable practices (64% say so, compared to 23% of those whose organisations do not provide incentives).

! **Lenient attitudes to some questionable workplace practices.** Employees in organisations that provide incentives are more likely to think that seven of the nine questionable workplace practices identified in Figure 1 are acceptable. This rather counterintuitive evidence shows that it is important for organisations to monitor the practical impact of the incentives provided. For example, 31% of employees in organisations that provide incentives to act ethically say that favouring family and friends when recruiting or awarding contracts is acceptable, compared to 15% of employees in organisations that do not provide incentives. Similarly, 27% of respondents in organisations that provide incentives to act ethically say that charging personal entertainment to expenses is acceptable, compared to only 9% of those in organisations that do not provide incentives.

! **Felt pressured to compromise ethics.** 26% of respondents in organisations that provide incentives to behave ethically have felt pressured to compromise their organisation's ethical standards compared to only 9% of respondents whose organisations don't provide incentives for ethical behaviour.

Spotlight Issues

Issue 1: Speaking up

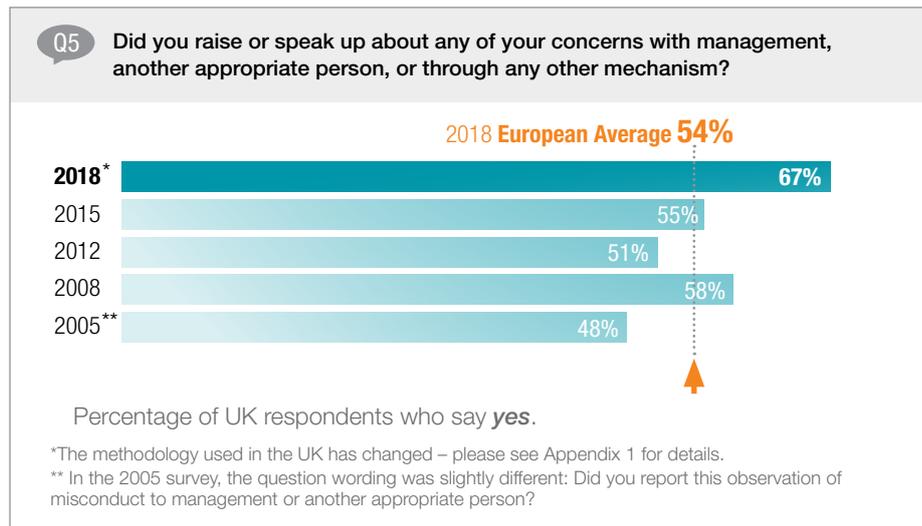
The freedom to raise concerns is a core component of a supportive ethical business culture, where employees are confident they will be supported to do the right thing.

The 24% of respondents in the UK who have been aware of misconduct in the workplace were asked whether they raised – or decided to speak up about – any of their concerns internally, directly to management or using any of the mechanisms available in their organisation. Two thirds (67%) of these UK employees who were aware of misconduct did so, compared to a European average of 54%. This represents a 12 percentage point increase compared to 2015, when only 55% of British respondents who were aware of misconduct spoke up.



The freedom to raise concerns is a core component of a supportive ethical business culture

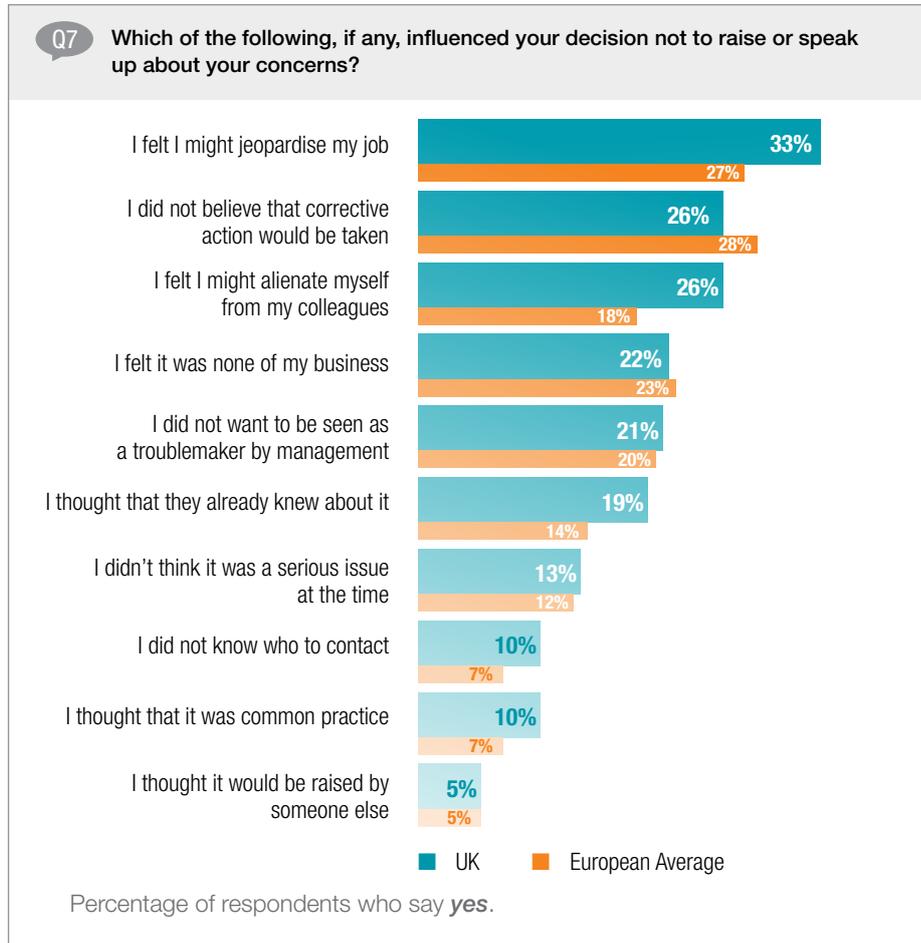
Figure 8 Employees raising concerns about misconduct



The 33% of respondents who have been aware of legal or ethical misconduct in the last year but did not raise their concerns were asked an additional question to assess what they considered to be the barriers to speaking up (see Figure 9).

The two most common reasons given for not raising concerns remain in line with 2015 results. However, the number of employees who say that they didn't speak up about misconduct at work because they did not know who to contact has increased significantly from 0% in 2015 to 10% in 2018. This figure is of particular concern if read in parallel with the fact that, in 2018, employees in the UK appear to be less aware of each of the four building blocks of an ethics programme. This highlights that organisations might be failing to keep communicating with employees about the tools that are available to support ethics at work. It is worth noting that the change in methodology might have partially influenced these results (see Appendix 1).

Figure 9 Reasons why employees did not raise concerns about misconduct



It is clear that employees are concerned about the impact of speaking up and, in particular, whether their situation would improve as a result of doing so. Reporting concerns can require courage, particularly in an unsupportive environment. Employees won't take the risk if they believe that nothing will be done about it.

To understand whether employees' concerns are justified, respondents who have been aware of misconduct and had raised their concerns were asked whether they were satisfied with the outcome of doing so. Three fifths (59%) of UK respondents report that they are satisfied with their organisation's response to them speaking up, which represents a significant improvement compared to 2015 (39%) and is higher than the European average of 51%.

Another important indicator that shows whether employees think their organisation is taking ethical misconduct seriously is the action taken against employees who violate the organisation's ethical standards. Many organisations highlight the consequences of violations of ethical standards in their code of ethics. However, far fewer organisations publish data externally on ethical breaches and disciplinary actions including dismissals.

This survey shows that only 59% of employees in the UK believe that their organisation disciplines employees who violate their organisation's ethical standards. This result is, however, above the European average (53%).

“.....
59% of UK respondents who have been aware of misconduct and spoke up report that they are satisfied with their organisation's response to them raising their concerns
.....”

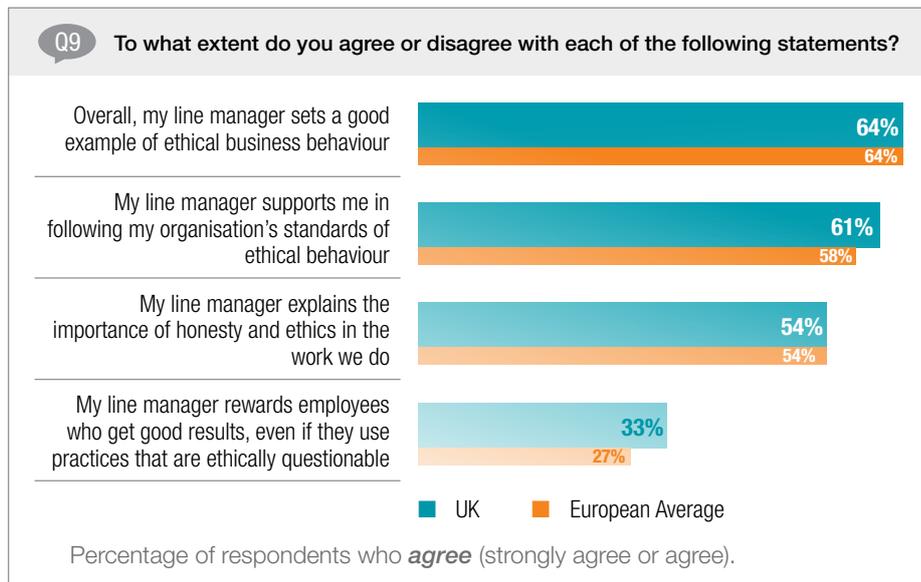
Issue 2: Ethical management

This survey analyses the attitudes of managers to business ethics through two different lenses: managers' first-hand views and the perceptions that employees have of their managers.

The survey uses four indicators to gauge employee perception of their managers' attitudes towards ethics, as shown in Figure 10.

Most respondents in the UK are positive about the behaviour of their line manager. This is particularly the case with regard to their manager's ability to set a good example of ethical behaviour, which is in line with the European average in 2018. However, about a third of UK respondents believe that, when decisions about rewards and recognition are involved, their line manager prioritises 'what' is achieved over 'how' it is done.

Figure 10 Perception of management behaviour



Women (59%) are more likely than men (51%) to say that their line manager explains the importance of honesty and ethics at work.



Younger employees aged 18-34 are more likely to say that their line manager explains the importance of honesty at work (64% compared to 49% of mid-career employees aged 35-54 and 50% of those aged 55+) and sets a good example of ethical behaviour (69% compared to 61% of mid-career employees). At the same time, younger employees are also more likely to report that their manager rewards results even if the practices used are ethically questionable (46% compared to 27% of mid-career and 22% of older employees).

Focus on...

The impact of providing a work environment that is regarded as supportive to ethics. ³

This survey shows that employees in the UK who work in organisations with an environment that is perceived as supportive to ethics are more likely to have:

✓ A positive perception of how frequently honesty is practised at work. Employees in the most supportive organisations are more likely to say that honesty is practised always or frequently (93%) than those in unsupportive organisations (62%).

continues >

³ The supportiveness of the organisation is defined by how many statements employees agree or tend to agree with at Q9 (see Appendix 2). This excludes the statement on the line manager rewarding employees who get good results despite using ethically questionable practices, as this is framed in the negative. The most supportive organisations agree or tend to agree with all of the statements; fairly supportive organisations are those in which respondents agree with five or more statements and unsupportive organisations are those in which respondents disagree or tend to disagree with three or more of the statements.

Focus on... *continued*



- ✓ **Not been aware of misconduct at work.** Employees in the most supportive organisations are less likely to say that they have been aware of misconduct during the past year at work (21%) than employees in unsupportive organisations (48%).
- ✓ **Not felt pressured to compromise ethics.** Employees in the most supportive organisations are more likely to say that they have not felt pressured to compromise their organisation’s ethical standards (86% compared to 67% of employees in unsupportive organisations).
- ✓ **Spoken up about misconduct.** Employees in the most supportive organisations who have been aware of ethical or legal violations are more likely to have spoken up about their concerns (79%) than those in the same position in unsupportive organisations (57%).

What are managers’ views of ethics at work?

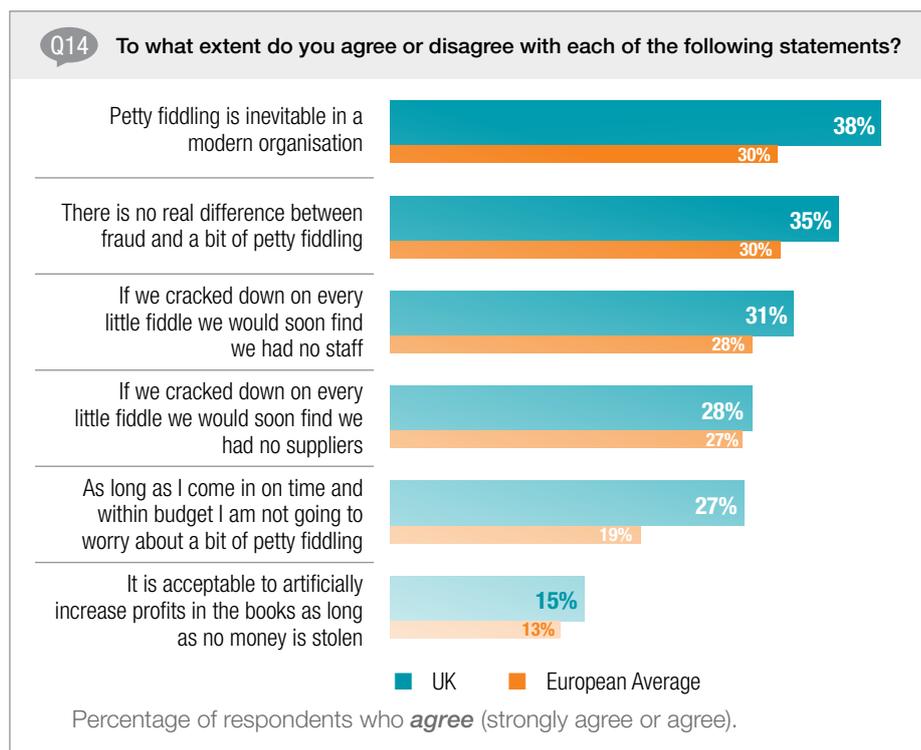
In order to set a good example of ethical behaviour and support employees in living up to their organisation’s ethical standards, it is important that people in a managerial position understand their responsibilities in leading by example on the application of ethical values to the day-to-day tasks in the workplace.

To understand this, the 41% of respondents in the UK who identified themselves as managers were asked to give their opinion on a series of statements that describe examples of ‘petty fiddling’ that can occur in an organisation.

As Figure 11 illustrates, managers in the UK seem to have a more lenient attitude towards all the statements than the European average.

“.....
UK managers seem to have a more lenient attitude towards petty fiddling than the European average
.....”

Figure 11 Attitudes to petty fiddling



Focus on...

Attitudes of managers towards ethics at work

This survey provides a picture of how UK managers approach ethics at work. In comparison with non-managers they are more likely to have:

-  **A positive outlook on engagement with external stakeholders.** Managers are more likely than non-managers to have a positive outlook on the way their organisation engages with external stakeholders. 78% of managers say their organisation acts responsibly in all its business dealings (compared to 65% of non-managers) and 71% of managers say their organisation lives up to its stated policy of social responsibility (compared to 59% of non-managers).
-  **Spoken up about misconduct.** Managers who have been aware of misconduct are more likely to have spoken up about their concerns than non-managers. 82% of managers who were aware of misconduct say they raised their concerns, compared to 51% of non-managers.
-  **Lenient attitudes to some questionable workplace practices.** Managers are more likely than non-managers to say that the following are acceptable: charging personal entertainment to expenses (18% vs 9%); minor fiddling/exaggeration of travel expenses (18% vs 12%); using company petrol for personal mileage (23% vs 12%) and favouring friends and family when recruiting or awarding contracts (21% vs 15%).
-  **Been aware of misconduct.** Managers are more likely to have been aware of misconduct during the past year at work than non-managers. 29% of managers say they have been aware of misconduct compared to 21% of non-managers.
-  **Felt pressured to compromise ethics.** Managers are more likely to say they have felt pressured to compromise their organisation's ethical standards than non-managers (18% of managers compared to 8% of non-managers).



Younger managers

aged 18-34 are more likely to agree with the statements on petty fiddling than managers in the other age groups. In particular, 39% of them say that as long as they come in on time and within budget they are not going to worry about a bit of petty fiddling, compared to 11% of older managers aged 55+. Similarly, 27% of younger managers agree that it is acceptable to artificially increase profits in the books as long as no money is stolen compared to 13% of mid-career managers aged 35-54 and 4% of older managers.



Managers are more likely to say they have felt pressured to compromise their organisation's ethical standards than non-managers



Summary and Conclusion

The data presented in this survey report highlights important issues about current attitudes to ethics in the workplace and raises crucial questions for organisations. It is important to stress that, in order to paint a meaningful picture, the results related to each indicator need to be read in the wider context, in parallel with other elements. For instance, higher awareness of misconduct could show that employees are failing to live up to the organisation's values. However, it could also be a positive sign of increased 'ethical literacy' among employees who have learned to identify and act upon ethical dilemmas in their workplace.

With this in mind, the survey sheds light on several challenges that organisations might want to consider going forward.

Do ethics programmes focus enough on managers and setting the 'tone in the middle' of organisations?

The *Ethics at Work* findings highlight the importance of engaging with managers at all levels of an organisation. Managers need to include ethics in their reward decisions and see ethics as an essential part of everything they do. Worryingly, a third (33%) of UK respondents agree that their manager rewards good results even if they are achieved through practices that are ethically questionable.

It is of particular concern that, whilst employees in organisations with a comprehensive ethics programme seem to have a more positive view of the overall ability of their manager to promote ethics, 48% of employees in organisations with a comprehensive ethics programme also say that results are rewarded without considering how they have been achieved. Only 8% of respondents in organisations without an ethics programme say so. At the same time, this survey highlights that managers (18%) are more likely to say they have felt pressured to compromise their organisation's standards of ethical conduct than non-managers (8%). This raises questions about how organisations can support their managers in making difficult decisions and dealing with pressure without compromising ethics.

How are schemes to incentivise ethical behaviour designed? Are they achieving their intended purpose?

Practical incentives that motivate and encourage people to behave ethically are an important tool that organisations can use to embed their values in practice. For example, providing incentives is correlated with employees' positive perception of how frequently honesty is practised in their organisation's daily operations. In addition, employees who have been aware of misconduct in organisations with incentives are more likely to have spoken up than those in a similar position in organisations without incentives.



This survey raises questions about how organisations can support their managers in making difficult decisions and dealing with pressure without compromising ethics



However, the survey shows that the presence of incentive schemes is also correlated to some less ethical attitudes or behaviours. This suggests that incentive schemes are not universally successful in shifting attitudes and behaviours, or perhaps even accidentally reinforce some less ethical organisational cultures. For example, employees in organisations that incentivise ethical behaviour are more likely to be lenient towards some ethically questionable workplace practices than those in organisations that do not provide incentives. These include favouring family and friends when recruiting or awarding contracts (31% vs 15%) and charging personal entertainment to expenses (27% vs 9%).

Employees in organisations that incentivise ethical behaviour are also significantly more likely to say that good results are rewarded by their line manager even when they are achieved through unethical practices (64% compared to 23% of employees in organisations that do not provide incentives). They are also more likely to have felt pressured to compromise their organisation's standards of ethical behaviour. It is vital that organisations design and test their incentive schemes to ensure that they are effective.



It is vital that organisations design and test their incentive schemes to ensure that they are effective



Appendix 1

Methodology and Respondent Profile

This survey report presents the findings of public research undertaken by ComRes on behalf of the IBE. ComRes is a member of the British Polling Council and abides by its rules. The IBE has asked similar questions of the British workforce every three years since 2005. In 2012, we extended part of the survey to four additional major European markets: France, Germany, Italy and Spain.

The *Ethics at Work: 2018 survey of employees* illustrates the latest evolution and trends in employees' perceptions of ethics in the workplace. Given that organisations are increasingly taking an integrated approach at the international level, the number of countries included in the research has been expanded to cover France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and the UK within Europe, as well as Australia, Canada, Singapore and New Zealand. This report describes UK findings and provides comparisons with European averages for 2018.

The survey was completed by a total of 6,119 respondents across the eight European countries. It was comprised of a representative sample of about 750 working adults in each country aged 18+ including 764 working adults in the UK. The survey was undertaken between 5th and 25th February 2018.

COUNTRY	Total number of respondents	GENDER			AGE				SECTOR		MANAGERS		SIZE ⁴	
		Male	Female	Prefer not to say	18-34	35-54	55+	Prefer not to say	Public/Third	Private	Manager	Non-manager	SME	Large
Europe	6,119	3,256	2,834	29	1,804	3,127	1,184	4	2,025	4,094	1,862	4,257	3,255	2,418
UK	764	400	364	-	266	346	152	-	315	449	312	452	360	345

Please note that the data in the table above is unweighted. For the purposes of analysis and reporting, the data was weighted to make the sample representative of the working populations (age 18+) in each of the countries surveyed by gender, age, and region.

Changes in methodology

The survey was conducted online, in the native language of the country being surveyed, and questions were 'randomised' to avoid any undue bias there may have been when answering potentially sensitive questions. In some cases, percentages do not add up exactly to 100%. This is due to a number of reasons, including rounding, participants being able to select more than one response to the question, or additional options not shown (e.g. don't know or other).

The methodology for data collection in the United Kingdom (England, Scotland, Wales and Northern Ireland) changed in 2018. From 2005 to 2015, data in Great Britain was collected through a public research survey by Ipsos MORI on behalf of the IBE. Interviews were conducted face-to-face with full time workers in Great Britain (England, Scotland and Wales) and data was weighted to be representative of the (full-time) working population (aged 16+).

In 2018, working adults (aged 18+) across the UK (Great Britain and Northern Ireland), including part-time workers, were surveyed online.

This alteration in methodology is aimed at improving comparability of data between the different countries surveyed. However, this change has an impact on the ability to track changes over time in the UK and has to be kept in mind when comparing data in this country.

⁴ Please note that a small number of sole traders also participated in the survey.



Appendix 2

Survey Questionnaire

The survey questionnaire consisted of 14 questions, although not all questions were answered by all respondents. Eligibility for certain questions was dependent on responses to previous questions.

Q1. Below is a list of things that sometimes happen in the workplace. To what extent, if at all, do you think that each of the following actions is acceptable?

Please select one answer per row.

Totally acceptable Fairly acceptable Not very acceptable Totally unacceptable Don't know

- Taking pencils and pens from work
- Posting personal mail from work (e.g. letters or parcels)
- Making personal phone calls from work
- Using the internet for personal use during working hours
- Using company petrol for personal mileage
- Charging personal entertainment to expenses
- Pretending to be sick to take the day off
- Minor fiddling of travel expenses
- Favouring family or friends when recruiting or awarding contracts

Base 2018 = 764 employees in the UK.

European average: Base 2018 = 6,119 employees in Europe.

Q2. In your organisation's daily operations, would you say that honesty is practised...?

Please select one response only.

Always Frequently Occasionally Rarely Never Don't know

Base 2018 = 764 employees in the UK.

Base 2015 = 674 employees in Great Britain.

Base 2012 = 665 employees in Great Britain.

Base 2008 = 791 employees in Great Britain.

Base 2005 = 759 employees in Great Britain.

European average: Base 2018 = 6,119 employees in Europe.

Q3. During the past year at work, have you been aware of any conduct by your employer or colleagues that you thought violated either the law or your organisation's ethical standards? *Please select one response only.*

Yes No Don't know

Base 2018 = 764 employees in the UK.

Base 2015 = 674 employees in Great Britain.

Base 2012 = 665 employees in Great Britain.

Base 2008 = 791 employees in Great Britain.

Base 2005 = 759 employees in Great Britain.

European average: Base 2018 = 6,119 employees in Europe.

Q4. Asked to respondents who answered yes to Q3.

Which, if any, of the following types of misconduct were you aware of?

Please select all that apply.

- **Abusive behaviour**
- **Misreporting hours worked**
- **Safety violations**
- **Discrimination (e.g. by race, gender, age)**
- **Stealing**
- **Improper hiring practices (e.g. favouring family or friends)**
- **Fraud**
- **Bullying/harassment**
- **People treated inappropriately/unethically**
- **Other**

Base 2018 = 184 employees in the UK who were aware of legal or ethical violations at work.

European average: Base 2018 = 1,854 employees in Europe who were aware of legal or ethical violations at work.

Q5. Asked to respondents who answered yes to Q3.

Did you raise any of your concerns with management, another appropriate person, or through any other mechanism? Please select one response only.

Yes No Don't know

Base 2018 = 184 employees in the UK who were aware of legal or ethical violations at work.

Base 2015 = 134 employees in Great Britain who were aware of legal or ethical violations at work.

Base 2012 = 130 employees in Great Britain who were aware of legal or ethical violations at work.

Base 2008 = 178 employees in Great Britain who were aware of legal or ethical violations at work.

European average: Base 2018 = 1,854 employees in Europe who were aware of legal or ethical violations at work.

Q6. Asked to respondents who answered yes to Q5.

After raising or speaking up about your concerns, how satisfied or dissatisfied were you with the outcome? Please select one response only.

Very satisfied Fairly satisfied Fairly dissatisfied Very dissatisfied Don't know

Base 2018 = 122 employees in the UK who were aware of legal or ethical violations at work and raised their concerns.

European average: Base 2018 = 1,008 employees in Europe who were aware of legal or ethical violations at work and raised their concerns.

Q7. *Asked to respondents who answered no to Q5.*

Which of the following, if any, influenced your decision not to raise or speak up about your concerns? *Please select all that apply.*

- I felt it was none of my business
- I felt I might jeopardise my job
- I did not believe that corrective action would be taken
- I felt I might alienate myself from my colleagues
- I did not want to be seen as a troublemaker by management
- I did not know who to contact
- I thought that it was common practice
- I thought it would be raised by someone else
- I thought that they already knew about it
- I didn't think it was a serious issue at the time
- Other (Please specify)
- Don't know

Base 2018 = 61 employees in the UK who were aware of legal or ethical violations at work but did not raise their concerns.

European average: Base 2018 = 806 employees in Europe who were aware of legal or ethical violations at work but did not raise their concerns.

Q8. **Please indicate whether each of the following statements apply to your organisation or not.** *Please select one response only.*

Yes **No** **Don't know**

- **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)**
- **My organisation provides employees with a means of reporting misconduct confidentially, without giving their name or other information that could easily identify them**
- **My organisation offers advice or an information helpline where I can get advice about behaving ethically at work**
- **My organisation provides training on standards of ethical conduct**

Base 2018 = 764 employees in the UK.

Base 2015 = 674 employees in Great Britain.

Base 2012 = 665 employees in Great Britain.

Base 2008 = 791 employees in Great Britain.

Base 2005 = 759 employees in Great Britain.

European average: Base 2018 = 6,119 employees in Europe.

Q9. To what extent do you agree or disagree with each of the following statements?

Please select one answer per row.

Strongly agree **Tend to agree** **Neither agree nor disagree** **Tend to disagree** **Strongly disagree**
Don't know

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

Base 2018 = 764 employees in the UK.

Base 2015 = 674 employees in Great Britain.

Base 2012 = 665 employees in Great Britain.

Base 2008 = 791 employees in Great Britain.

Base 2005 = 759 employees in Great Britain.

European average: Base 2018 = 6,119 employees in Europe.

Q10. Have you felt pressured to compromise your current organisation's standards of ethical conduct? Please select one response only.

Yes **No** **Don't know**

Base 2018 = 764 employees in the UK.

Base 2015 = 674 employees in Great Britain.

European average: Base 2018 = 6,119 employees in Europe.

Q11. Asked to respondents who answered yes to Q10.**Which of the following, if any, were the main pressures on you to act unethically?**

Please select a maximum of three responses.

- **I had to meet unrealistic business objectives/deadlines**
- **I was following my boss's orders**
- **I felt peer pressure to be a team player**
- **I wanted to help the organisation perform better (e.g. against competitors or spending cutbacks)**
- **I was trying to save my job**
- **My organisation has an unethical culture**
- **I was being asked to take shortcuts**
- **There were financial/budgeting pressures at the company**
- **We were under-resourced**
- **Time pressure**
- **Other (Please specify)**
- **Don't know**

Base 2018 = 92 employees in the UK who have felt pressured to compromise their organisation's standards of ethical conduct.

European average: Base 2018 = 970 employees in Europe who have felt pressured to compromise their organisation's standards of ethical conduct.

Q12. Does your organisation provide incentives to employees to encourage them to live up to the organisation's ethical standards? *Please select one response only.*

Yes No Don't know

Base 2018 = 764 employees in the UK.

Base 2015 = 674 employees in Great Britain.

European average: Base 2018 = 6,119 employees in Europe.

Q13. Asked to respondents who answered yes to Q12.

Which of the following incentives, if any, does your organisation provide to encourage employees to live up to its ethical standards? *Please select all that apply.*

- It is part of our annual appraisal/review
- It is taken into account in assessing bonus payments
- Salary increases
- Public commendation (e.g. employee awards)
- Other (Please specify)
- Don't know

Base 2018 = 169 employees in the UK who say their organisation provides incentives to encourage employees to live up to its ethical standards.

European average: Base 2018 = 1,400 employees in Europe who say their organisation provides incentives to encourage employees to live up to its ethical standards.

Q14. Asked to respondents who identified themselves as managers.

To what extent do you agree or disagree with each of the following statements?

Please select one answer per row.

Strongly agree Tend to agree Neither agree nor disagree Tend to disagree Strongly disagree
Don't know

- Petty fiddling is inevitable in a modern organisation
- If we cracked down on every little fiddle we would soon find we had no staff
- If we cracked down on every little fiddle we would soon find we had no suppliers
- As long as I come in on time and within budget I am not going to worry about a bit of petty fiddling
- There is no real difference between fraud and a bit of petty fiddling
- It is acceptable to artificially increase profits in the books as long as no money is stolen

Base 2018 = 312 managers in the UK.

European average: Base 2018 = 1,862 managers in Europe.

Related IBE Publications

IBE publications provide thought leadership and practical guidance to those involved in developing and promoting business ethics, including senior business people, corporate governance professionals and ethics and compliance practitioners. Some recent publications related to this topic which you might be interested in include:



Culture Indicators: understanding corporate behaviour

Peter Montagnon

Boards are increasingly focused on corporate culture, yet they often struggle to understand the forces that drive behaviour in their business. Culture cannot easily be measured, but boards can and do have access to a range of information that will shed light on the culture of their organisations.

Culture Indicators: understanding corporate behaviour analyses survey data and draws on interviews with directors and those that advise them to provide practical and tangible assistance for boards in how to understand the corporate culture of their organisations. It examines a wide range of relevant indicators and how to interpret them in order to produce a useful and authentic picture of the culture of a business.



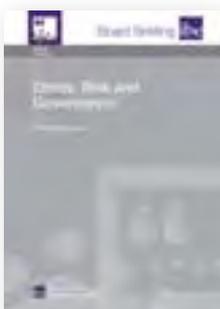
Culture by Committee: the pros and cons

Peter Montagnon

Shifting perceptions of risk have increasingly encouraged companies to form special board committees to deal with broad questions of corporate responsibility, sustainability and ethics. This IBE Survey Report looks at the nature and role of these board committees, and also at the way companies that choose not to have such committees handle this growing range of non-financial risks.

The idea of having a committee dedicated to the task of overseeing culture and ethics is relatively new. This survey report is intended to benchmark what is happening in the UK, providing a valuable insight into how companies are approaching the task, and helping companies decide on the right approach for them in an increasingly complex world.

This survey was prepared in collaboration with ICSA: The Governance Institute and Mazars



Ethics, Risk and Governance

Peter Montagnon

Setting the right values and culture is integral to a company's success and its ability to generate value over the longer term. The challenge for business is how to develop and embed real values. This requires leadership and is a core task for boards. Many boards acknowledge the importance of a healthy corporate culture, both because of the role this plays in mitigating risk and because of the value to their franchise of a sound reputation. This IBE Board Briefing sets out why directors need to be actively involved in setting and maintaining a company's ethical values and suggests some ways to approach it. It aims to help directors define their contribution to the maintenance of sound values and culture.

Other IBE Resources



E-learning

The IBE's e-learning package *Understanding Business Ethics* is available in English, French, German and Spanish.

This short introductory online training course is designed to raise awareness of business ethics and provide an understanding of why ethical standards in the workplace matter.

The course is designed to support employees at all levels, in organisations of any size and in any sector to 'do the right thing'. The programme takes approximately 35 minutes to complete.

The IBE's e-learning package is used by professional bodies to develop ethical sensitivity in their members and for CPD (Continuing Professional Development) accreditation.

If you would like to offer this to multiple users, please contact us.



Say No Toolkit

The IBE's *Say No Toolkit* is a decision-making tool to help organisations encourage employees to make the right decision in difficult situations. The Say No Toolkit delivers immediate guidance to employees on a wide range of common business issues, especially those that could lead to accusations of bribery.

Employees tap through a series of questions about the situation they face and the tool will provide the right decision to take: Say No, Say Yes or Ask. The answer also makes it clear why it is important to make that decision so your employees can have the confidence and the knowledge to respond correctly.

Organisations can use both the IBE *Say No Toolkit* app and website for free. The app can be downloaded on to any smartphone or tablet.

Simply go to www.saynotoolkit.net

The Say No Toolkit can be customised and branded to suit your organisation's needs and detailed procedures. For more information email info@ibe.org.uk or call the IBE office on +44 20 7798 6040.

For details of all IBE publications and resources visit our website www.ibe.org.uk

Ethics at Work

2018 survey of employees

United Kingdom

Employees' views are a key indicator of the ethical temperature in UK organisations.

What do employees think about the ethical business practices of their employer? Are formal ethics programmes effective in embedding ethical values into organisational culture and influencing behaviour? What are the challenges for the organisation and what should be the focus going forward?

The Institute of Business Ethics has conducted a regular survey into employees' views of ethics at work in Great Britain since 2005, extending the survey to the United Kingdom in 2018.

This survey report presents the IBE survey findings, which give a snapshot of the business ethics landscape in the United Kingdom and include comparisons with European averages. The report focuses on three key themes. These relate to assessing the ethical culture of an organisation; identifying ethical risks and supporting ethical standards. Two specific issues that have a major impact on the culture of an organisation are also addressed: the ability of employees to voice their ethics-related concerns and the role of line managers in promoting ethics in the workplace.

Organisations can use the data provided to benchmark the views of their own employees with regard to levels of awareness of misconduct; willingness to raise concerns; perceptions of ethical culture and much more.