

## Publication Launch

### **Ethics at Work: 2018 Survey of Employees - Europe**

#### **Thursday 05 July 2018**

This publication launch introduced the Institute of Business Ethics' (IBE) triennial survey: *Ethics at Work 2018* (Europe). The IBE has conducted a regular survey into employees' view of ethics at work in Britain since 2005. The survey has since been widened to include France, Germany, Ireland, Italy, Portugal, Spain and Switzerland in Europe, as well as Australia, Canada, New Zealand and Singapore.

The survey focuses on three key themes. These relate to assessing the ethical culture of an organisation, identifying ethical risks and supporting ethics standards. After Philippa Foster Back, Director of the IBE, welcomed the audience, Jo Morgan, Chief Ethics and Compliance Counsel of Rolls Royce plc, the Gold Level Supporter of *Ethics at Work 2018* set the scene.

#### **Introductory Speech: Jo Morgan**

Jo highlighted that doing business ethically is "the secret sauce to long term, sustainable business success". This includes creating both an open culture in which employees feel confident raising concerns and an environment in which appropriate action is taken after these concerns have been voiced. She stressed that these steps are critical in creating a workplace where employees can feel proud of the organisation and the role they play in it.

However, "getting it right" can be challenging; each individual has an individual perception of what is right and wrong. Implementing a unified ethical front is particularly difficult for global corporations, working across multiple cultures and jurisdictions. As a result, organisational ethics need to be simple and clear, including not only verbal and written guidance but also adequate training. Jo shared that Rolls Royce enrolls all employees in an annual ethics training course which explores ethical dilemmas and how to handle them in accordance with the company's values and behaviours.

Jo also spoke about the importance of being consistent in one's handling of ethical dilemmas. One has to be prepared to walk away from a potential business deal or turn down a potential partner when their ethics do not align with one's own. Jo stressed the importance of taking an ethical stand, saying: "If I walk past something that does not look right and do not voice a concern, then that becomes the standard I accept."

Jo reiterated that if organisations haven't got ethics right, they haven't got business right; for those who want to be here in the long term, it is imperative that they do act ethically. She finished her introduction with a quotation by Henry Royce, founder of the company, who said: "whatever is rightly done, however humbly, is noble."

#### **The Survey Report: Main themes**

Guendalina Dondé is Senior Researcher at the IBE and author of the *Ethics at Work 2018* survey. She outlined that the IBE has conducted its survey into employees' views of ethics at work in Britain since 2005. She further explained how the research methodology in the UK has changed since 2015. This year, the survey was conducted by ComRes through an online questionnaire rather than using face to face interviews, resulting in a more uniform process across the 8 European countries.

Guen described that the aims of this survey were not only to develop an understanding of employees' attitudes to and perceptions of ethics in the workplace, but to do so in comparison with the IBE's previous *Ethics at Work* surveys and alongside data from employees in different countries.

Speaking to the audience on the central question: "what can companies do to influence corporate culture?" Guen described the importance of a comprehensive code of ethics. She emphasised, however, the need for companies to go further than simply creating a document and then allowing it to gather dust. Instead, in order to change the culture of a company, a 'supportive environment' must be created. Guen set out several areas where companies could do better in incorporating ethics into their day to day work. She described the importance of the 'tone from the top', stakeholder engagement and quick responses to misconduct.

Following her presentation, Guen introduced three of the national partners who supported *Ethics at Work 2018*.

## France

Prof Simone De Colle, associate professor at IESEG Center for Organizational Responsibility, represented France on the panel. He highlighted the important links between an ethics programme and an ethical culture. He pointed out that the data invites multiple interpretations, and should be interpreted with caution. He also spoke about the difference between an ethics programme based on compliance and an ethics programme based on values. Compliance based ethics he described as preventative, top-down and employer focused, while values-based ethics he described as proactive, bottom-up and stakeholder focused. Simone emphasised the importance of companies adopting a value based ethical approach. This, despite requiring more interpretation and time, results in a more engrained ethical stance.

## Germany

Dr Lennart Brand is Managing Director at the Leadership Excellence Institute Zeppelin. He focused on the importance of effective leadership in creating a strong ethical culture, describing the difference between creating lofty ethical declarations decided by consultants or lawyers and building organisational structures that ensure the adherence of ethical standards. Lennart framed this idea of an embedded ethical culture as a question of leadership. He argued that 'everyone wants to do right', but the pressures of a corporate environment have the power to warp any employee's ethics. In order to ensure good practise, it is the responsibility of leaders to not press those underneath them with targets that are unattainable. It is important moreover, to rephrase corporate objectives so that short term profits do not become the sole thing that matters.

In his view, the relationship between leaders and those working underneath them is often completely neglected despite being crucial for a thorough understanding of leadership. This is why it is so important to have survey data such as *Ethics at Work*, which reflects the view of employees and not only that of the leadership of an organisation.

## Italy

Giuseppe Pitotti is the Chair of the Ethics Committee at Confindustria Assoconsult. Commenting on the findings, he pointed out that traditionally organisations have mainly focused on protecting shareholder value. It has become more common now, to focus on ESG (environmental, social and governance) indicators. But in his view, ESG policies should be broadened to include ethics as well. In line with the other panellist, he agreed that ethics should not only take a top-down approach but also involve the broader workforce. He reiterated the difficulty of implementing ethics in large organisations. In his view, in order to be effective, ethical behaviours also have to be supported and reminded peer-to-peer. Ethics should be driven from the top down, but simultaneously be developed from the bottom up, involving employees in the analysis and development of what can be considered appropriate behaviours.

## Questions

The presentations were followed by a number of questions. Among the issue discussed were:

- How can organisations be encouraged to be more open and ask the frontline/their employees about how they experience ethics?
- How can people not only be disciplined for misconduct after it occurred, but instead be caught before lapses occur?
- Why do a significant amount of people in Italy, France and Germany say that honesty is never or rarely practiced?
- Will we see more employee activism/uprising on ethics in the future?