

“Protecting against retaliation for speaking up still remains a challenge” says the Institute of Business Ethics

26 January 2017 The IBE's eighth triennial survey *Corporate Ethics Policies and Programmes: 2016 UK and Continental Europe Survey*, published today, explores the mechanisms used by larger companies both to embed ethical values within day-to-day business practice and provide guidance to staff, wherever they operate, on how to react when faced with a dilemma.

The survey indicates that although mechanisms for employees to raise their concerns confidentially have become widespread in large organisations, protecting employees who raise their concerns from any form of retaliation remains a challenge. While 97% of companies with a speak up system also have a policy to protect employees from retaliation for doing so, less than half have a formalized approach to monitoring it.

Simon Webley, the IBE's Research Director, said: *“Any member of staff at any level should feel free to raise an issue. Fear of retaliation has a significant impact on whether an employee speaks up about their concerns.”*

Senior leaders are more engaged in ethics

The IBE survey suggests a significant shift in perception of how to do business by corporate leadership. According to 86% of respondents, ethics, values and culture are regularly discussed in board meetings. Board engagement appears to be growing stronger, particularly in FTSE 350 companies where the percentage of respondents who say that these topics are regularly discussed at board level has increased by over 30% since 2013.

Simon Webley said: *“The board has an increasingly important role in shaping the culture of their organisation: their motivation is to protect the business against non-financial risk which can cause a catastrophic loss of value as its reputation declines.”*

Measuring culture

Monitoring the ethics programme is now seen as crucial to ensure its effectiveness. However, setting the right KPIs to measure ethics and culture is challenging. According to the survey, the most frequently mentioned ones are: the percentage of employees receiving training, the data about speaking up and the results of staff surveys.

More focus is needed on the internal communication of ethics

It is well understood that internal communication is critical in establishing an ethical culture. However, more than a quarter of respondents (26% of 42) say their company does not have an internal communication strategy on ethics, values and culture.

Ethics can be taught

Respondents stressed the growing importance of providing regular ethics training for their employees. Among FTSE 350 companies, it is being delivered more regularly than in 2013, particularly to senior leaders and managers. However, only one in five associated persons, i.e. business partners, are offered training on an annual basis.

The survey tracks changes that have occurred in the UK FTSE 350 since 1995 in the way business organisations develop and implement their ethics policies and programmes. Four other European countries - France, Germany, Spain and Italy - have been included since 2010.

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EDITOR'S NOTES

About the publication

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Methodology

In 2016, as in 2010 and 2013, we surveyed companies quoted in the FTSE 350 and larger companies quoted in Continental Europe. In addition, we broadened the scope of the survey by including other large companies – either listed on other markets or non-listed with a significant presence in Europe.

The sample of respondents comprises 59 companies which were primarily listed in the following locations:

- UK FTSE 350: 29
- Continental Europe: 16
- USA (NYSE): 2
- Japan (Tokyo Stock Exchange): 1
- Not publicly listed: 11

About the author

Guendalina Dondé is Senior Researcher at the IBE. She writes and researches on a range of business ethics topics for the IBE. She is the co-author of the French and Italian IBE Survey Ethics at Work: 2015 Survey of Employees and the IBE Core Series Codes of Business Ethics: examples of good practice. Before joining the IBE, she collaborated in developing the code of ethics for the Italian Association of Management Consultants and worked for a European CSR Business Network based in Brussels. She holds a Master's degree in Business Ethics and CSR from the University of Trento in Italy.

About the Institute of Business Ethics

The Institute of Business Ethics (IBE) is a registered charity established in 1986 to promote high standards of business behaviour based on ethical values. We help organisations to strengthen their ethical culture through the sharing of knowledge and good practice.

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