Ethics at Work
2018 Survey of Employees
Australia

By Guendalina Dondé and Katja Somasundaram

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The Institute of Business Ethics, whose purpose is to promote high standards of business behaviour based on ethical values, is an important partner to any business wanting to preserve its long-term reputation by doing business in the right way.

All organisations need to demonstrate they are trustworthy in order to operate effectively and sustainably. Reputations are not based solely on the delivery of products and services, but on how an organisation values its stakeholders. Having a reputation for acting with honesty and ethics will not only differentiate an organisation, it will make it more successful.

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Survey

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Australia

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Authors

Guendalina Dondé is Senior Researcher at the Institute of Business Ethics. She writes and researches on a range of business ethics topics for the IBE. She is the author of the IBE *Corporate Ethics Policies and Programmes: 2016 UK and Continental Europe survey* and co-author of the 2017 IBE *Setting the Tone: a New Zealand perspective on ethical business leadership*; the 2017 TEI & IBE *Ethics and Compliance Handbook*; the 2016 IBE *Codes of Business Ethics: examples of good practice* and of the French and Italian editions of the 2015 IBE *Ethics at Work: 2015 survey of employees*. Before joining the IBE, she collaborated with the inter-university centre for business ethics and corporate social responsibility EconomEtica in developing the code of ethics for the Italian Association of Management Consultants and worked for CSR Europe, 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.

Katja Somasundaram worked at the IBE as Research Assistant, where she provided support for the Research Hub by researching and writing on a number of business ethics topics. She worked for the IBE from 2017 to 2018. Katja holds a master's degree in Corruption and Governance from the University of Sussex.

Acknowledgements

IBE Foreword

The IBE is pleased to present its first publication in Australia, *Ethics at Work: 2018 survey of employees – Australia*, which asks questions of the workforce to gauge employees' perception of ethics in the workplace.

Set against the backdrop of the current business environment, it is interesting to see how employees in Australia view ethics at their place of work. The survey report also looks at how views differ according to age and gender, plus whether respondents work in the private or public/third sectors and in large or small organisations. These additional correlations highlight different attitudes and, hence, they reflect the culture within an organisation.
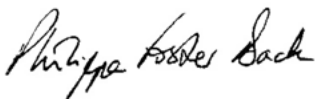
Culture is now widely recognised as an important factor in organisational health. This is highlighted in the Summary and Conclusion of the report, which looks at the importance of communicating about ethics, setting the tone from the top and encouraging all employees to take responsibility for ethics. Organisations also need to design and test incentive schemes to ensure that they are achieving their intended purpose. Organisations in Australia need to pay attention to these areas in particular.

We are grateful to all those who have provided financial support for this survey – who are listed on the Authors and Acknowledgement page – and, in particular, our Gold Supporter Rolls-Royce and our National Partner in Australia, the Ethics Centre. We look forward to our National Partner's further analysis and insights on the data set beyond the initial analysis reported here.

I would like to thank ComRes for undertaking the survey for us, which is part of a 12-country survey in the IBE's 2018 *Ethics at Work* series. Results from other country surveys have been published and are available on the IBE website (www.ibe.org.uk).

Finally, I am very grateful to Guendalina Dondé, IBE's Senior Researcher, for her analysis and authorship, ably aided by Katja Somasundaram, former Research Assistant.

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

Philippa Foster Back CBE
Director
Institute of Business Ethics

National Partner's Comment

This report provides useful information about the basic ethical 'infrastructure' of corporations in Australia. For the most part, the story is a positive one – with 'ethical hygiene' factors being well-supported. However, if we look beyond these minimum standards, then there is reason to be concerned.

In my opinion, the most alarming statistic to be reported is that, having witnessed misconduct, just over a third of employees (35%) chose not to speak up. While the reasons for remaining silent vary, fear of retribution (job loss) and a sense of futility rank amongst the highest.

Why focus on this negative result when so much else is positive?

My principal concern is that this particular result suggests that the ethical superstructure of many corporations may be built of straw – and thus all too susceptible to failure when under stress. It is relatively easy to develop a code of ethics (often a code of conduct by another name) and to act with honesty and diligence when the conditions are fair. However, what really counts is how people behave when under pressure – especially when they want to compete or 'win'. It is then that principles can be sacrificed, ethical corners cut and values subordinated to purely commercial imperatives.

The ethical resilience of an organisation cannot be judged – at least not to any substantial degree – by reference to its formal structures alone. Far more important are the dispositions of the people who work within an organisation. For example, do employees have the moral courage to challenge conduct that is inconsistent with a company's espoused values and principles? What if the troubling conduct is uncritically accepted as 'standard practice'? Are employees hopeful that their interventions will be acted upon and valued as constructive?

The fact that 35% of Australian employees who have been aware of misconduct decided not to speak up suggests that employees are, in effect, answering 'no' to such questions. This means that the ethical foundations of Australian corporations are weaker than the glossy superstructure would suggest. The need to address and remediate this weakness has been one of the central themes highlighted by regulators, royal commissioners… and The Ethics Centre over the past decade. The formal text has often been about 'culture'. The sub-text has always been about ethics: the purpose, values and principles that define and regulate culture over time.

While organisations will often assert that the ethical foundations of their culture are sound, a different picture regularly emerges when examining apparently trivial aspects of conduct. The Ethics Centre's *Everest* process provides a powerful tool for looking below the surface. However, one can also find, in this survey report, the odd 'early warning sign' that indicates the start of a progressive 'normalisation of deviance' – a slow movement by which the 'unacceptable' becomes 'acceptable' (e.g. favouring family or friends when recruiting or awarding contracts).

> *What really counts is how people behave when under pressure – especially when they want to compete or 'win'*

The antidote to such risks is not necessarily to ramp up formal systems of compliance (important as they are). Instead, it may be better to open up organisation-wide discussions about the ethical basis on which decisions are to be made. All too often, employees only ever see the rules set by an organisation without ever understanding the reasons behind them. Far too rarely are they encouraged to discuss issues with a view to calibrating their own 'moral compass'.

We see this in the finding that only 56% of employees ever discuss issues of 'right' and 'wrong' in staff meetings. That is a cause for concern. How are employees to exercise good judgement, on behalf of their employer, if the standard for judgement is never discussed? Why should they believe themselves to be personally responsible for ethical conduct if they are never encouraged to think about and debate what this might mean?

In the absence of such conversations, people with good intentions might hold radically divergent beliefs about what is expected of them. Acting in good faith, they might give effect to those divergent beliefs – making decisions that they mistakenly believe to be right. The ethical failure that can result from such mistakes cannot be explained by reference to 'wicked people' choosing to do wrong. It may simply be that the company never thought to establish a common understanding of its ethical framework.

Dr Simon Longstaff AO
Executive Director
The Ethics Centre

> **"** . . . .
>
> *Far too rarely are employees encouraged to discuss issues with a view to calibrating their own 'moral compass'*
>
> . . . .

The Ethics Centre is an independent not-for-profit organisation that has been working for over 25 years to help people navigate the complexity and uncertainty of difficult ethical issues through innovative programs, services, events and experiences. Our goal is to bring people together, create the space for open and honest conversations, and build the skills and capacity of people to live and act according to their values and principles in their professional and personal lives.

For more information: www.ethics.org.au

Key Findings from Australia

Culture

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

Always/frequently	84%
Occasionally	12%
Rarely/never	2%
Don't know	2%

Speaking up

35% of Australian employees 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 **32%**
2. I did not believe that corrective action would be taken **27%**
3. I thought that they already knew **25%**

Behaviour

24% of Australian employees have been aware of misconduct during the past year at work. The most common types of misconduct they noticed are…

Bullying and harassment	41%
People treated inappropriately/unethically	39%
Misreporting hours worked	32%

13% of Australian employees have felt pressured to compromise ethics. The main pressures are…

1. Time pressure **34%**
2. I was following my boss's orders **31%**
3. We were under-resourced; I felt peer pressure to be a team player **23%**

Ethics programme

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

My organisation…

Has written standards of ethical business conduct that provide guidelines for my job **73%**

Provides employees with a means of reporting misconduct confidentially **61%**

Offers advice or an information helpline where I can get advice about behaving ethically at work **52%**

Provides training on standards of ethical conduct **59%**

Please see Appendix 1 for methodology, respondent profile, base sizes and an explanation of why percentages do not always add up to 100%.

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? What are the challenges for organisations and what should be the focus going forward?

This survey report, *Ethics at Work: 2018 survey of employees – Australia* is the first report by the IBE that asks ethics-related questions of the Australian workforce. The aim of the research is to develop an understanding of employees' attitudes to and perceptions of ethics in the workplace in Australia in 2018.

This report forms part of a broader collection of *Ethics at Work* publications covering France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and the UK within Europe, as well as Australia, Canada, Singapore and New Zealand. *Ethics at Work: 2018 survey of employees – Australia, New Zealand and United Kingdom*, for instance, provides further insight and comparative data for the three countries covered.

Reports for all of the countries surveyed will be available to download free of charge from the IBE website. [1]

This report details survey findings from a nationally representative sample of 752 employees in Australia. Data was collected online by the research consultancy ComRes on behalf of the IBE and The Ethics Centre in February 2018.

The research methodology and respondent profile are presented in Appendix 1. The interview questionnaire (see Appendix 2) consists of 14 questions.

This 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.

> *The aim is to develop an understanding of employees' attitudes to and perceptions of 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.

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 in 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 Australian 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.

As Figure 1 shows, charging personal entertainment to expenses, minor fiddling with expenses and favouring family or friends when recruiting or awarding contracts are the least likely of the workplace practices tested to be considered acceptable by Australian employees.

Although some of these issues may seem trivial, these answers are important indicators of what kinds of behaviour are considered acceptable and 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.

Figure 1 Acceptability of common workplace practices

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?

Practice	Acceptable	Unacceptable
Making personal phone calls from work	56%	43%
Using the internet for personal use during work hours	46%	52%
Posting personal mail from work	37%	60%
Taking pencils and pens from work	31%	67%
Pretending to be sick to take the day off	20%	78%
Using company petrol for personal mileage	15%	82%
Favouring family or friends when recruiting or awarding contracts	14%	84%
Minor fiddling/exaggeration of travel expenses	12%	85%
Charging personal entertainment to expenses	9%	89%

■ Acceptable   ■ Unacceptable

Percentage of Australian respondents who say the proposed workplace practices are *acceptable* (totally or fairly acceptable) or *unacceptable* (not very acceptable or totally unacceptable).

Men are more likely than women to say that favouring family or friends is acceptable when recruiting or awarding contracts (17% vs 10%).

Younger employees aged 18-34 are more likely than older employees aged 55+ to find eight out of the nine questionable workplace practices acceptable. For example, 50% find it acceptable to use the internet for personal use during work hours compared to 33% of older employees.

Employees in **SMEs** are more likely than those in large organisations to say that it is acceptable to favour family or friends when recruiting or awarding contracts (17% vs 10%).

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.

While the ethical values that organisations adopt are varied, anecdotal evidence gathered by the IBE suggests that honesty is one of the most frequently mentioned value-words in business. Figure 2 presents employees' perception of how often honesty is practised in their organisation's daily operations.

Figure 2 **Employees' views of how frequently honesty is practised**

> **Q2** In your organisation's daily operations, would you say that honesty is practised...?
>
> | | |
> |---|---|
> | Always | 30% |
> | Frequently | 54% |
> | Occasionally | 12% |
> | Rarely | 2% |
> | Never | 0% |
> | Don't know | 2% |
>
> Percentage of Australian respondents who say *always, frequently, occasionally, rarely, never* or *don't know*.
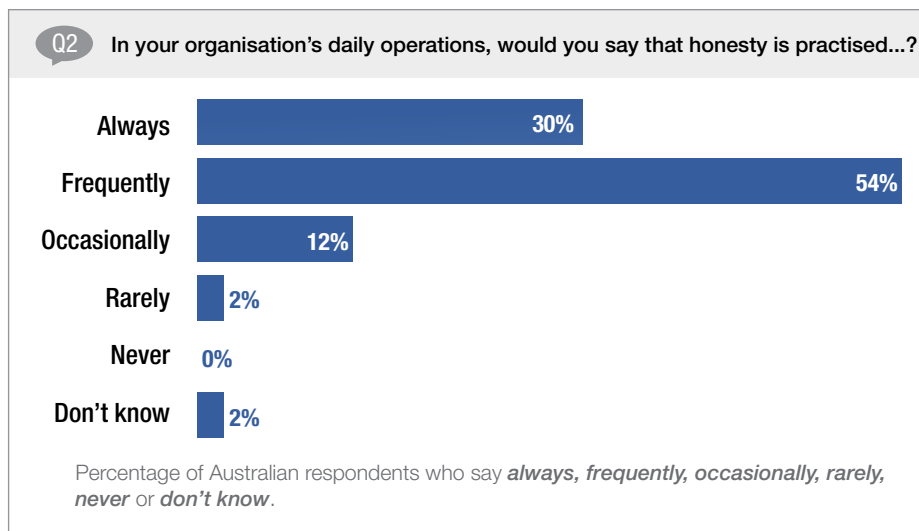
Older employees aged 55+ are more likely to say that honesty is practised always/frequently than other age groups (90% vs 83% of mid-career employees aged 35-54 and 82% of younger employees aged 18-34).

Employees in **SMEs** are more likely to say that honesty is always practised than employees in large organisations (32% vs 23%).

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, as shown in Figure 3.

Figure 3 **Perceptions of engagement with internal and external stakeholders**

> **Q9** To what extent do you agree or disagree with each of the following statements?
>
> **My organisation acts responsibly in all its business dealings**
> (with customers, clients, suppliers, etc.)
>
> 73%
>
> **My organisation lives up to its stated policy of social responsibility**
>
> 70%
>
> **Issues of right and wrong are discussed in staff meetings**
>
> 56%
>
> Percentage of Australian respondents who **agree** (strongly agree or tend to agree).

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.
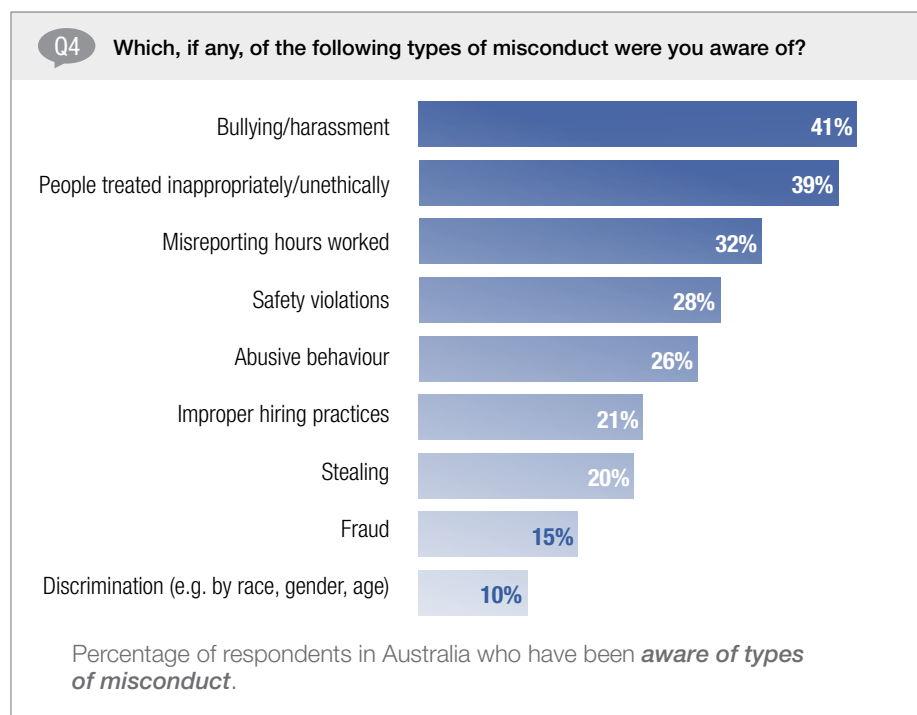
How common is unethical behaviour?

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.

A quarter of employees in Australia (24%) say they have been aware of misconduct during the past year at work, while 66% say they have not been aware of misconduct.

Those respondents who have been aware of misconduct were then asked to specify the types of misconduct they had encountered, as illustrated in Figure 4. Bullying/harassment is the most frequent type of misconduct mentioned (41%), followed by people treated inappropriately/unethically (39%) and misreporting hours worked (32%).

Figure 4 **Types of misconduct of which employees were aware**

Q4 **Which, if any, of the following types of misconduct were you aware of?**

Type	%
Bullying/harassment	41%
People treated inappropriately/unethically	39%
Misreporting hours worked	32%
Safety violations	28%
Abusive behaviour	26%
Improper hiring practices	21%
Stealing	20%
Fraud	15%
Discrimination (e.g. by race, gender, age)	10%

Percentage of respondents in Australia who have been *aware of types of misconduct*.

> *24% of employees in Australia say they have been aware of misconduct during the past year at work*

There is an indication that **men** who have been aware of misconduct may be more likely to be aware of instances of discrimination (14%) than women in a similar position (5%).

Younger employees aged 18-34 who have been aware of misconduct are more likely than mid-career employees aged 35-54 to have been aware of safety violations (34% vs 18%) and bullying/harassment (46% vs 30%).

Employees in **SMEs** who have been aware of misconduct are more likely to say that they have been aware of misreporting hours worked than employees in large organisations (41% vs 26%).

Focus on...
Implications of being aware of misconduct

This survey shows that, in Australia, 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 at work are more likely to find certain ethically questionable workplace practices acceptable. For instance, 27% say that pretending to be sick to take a day off is acceptable, compared to 17% of those who have not been aware of misconduct.

❗ A negative perception of how frequently honesty is practised at work. Respondents who have been aware of misconduct at work are less likely to say that honesty is practised in their organisation's daily operations: 78% say that honesty is practised always or frequently, in comparison with 89% of those who have not been aware of misconduct.

❗ A negative outlook on how the organisation engages with its stakeholders. 65% of respondents who have been aware of misconduct at work think that their organisation acts responsibly in all its business dealings, compared to 79% of those 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 77% of those who have not been aware of misconduct).

❗ Felt pressured to compromise ethics. Over a third of employees (37%) who have been aware of misconduct at work have felt pressured to compromise their organisation's ethical standards, compared to 6% of employees who have not been aware of ethical misconduct.

❗ A negative perception of the ability of line managers to promote ethics. Only 59% of employees who have been aware of misconduct at work say that their line manager supports them in following their organisation's standards of ethical conduct, compared to 73% of employees who have not been aware of misconduct.

> *13% of Australian employees say they have felt some form of pressure to compromise their current organisation's standards of ethical behaviour*

Are employees pressured to compromise ethics?

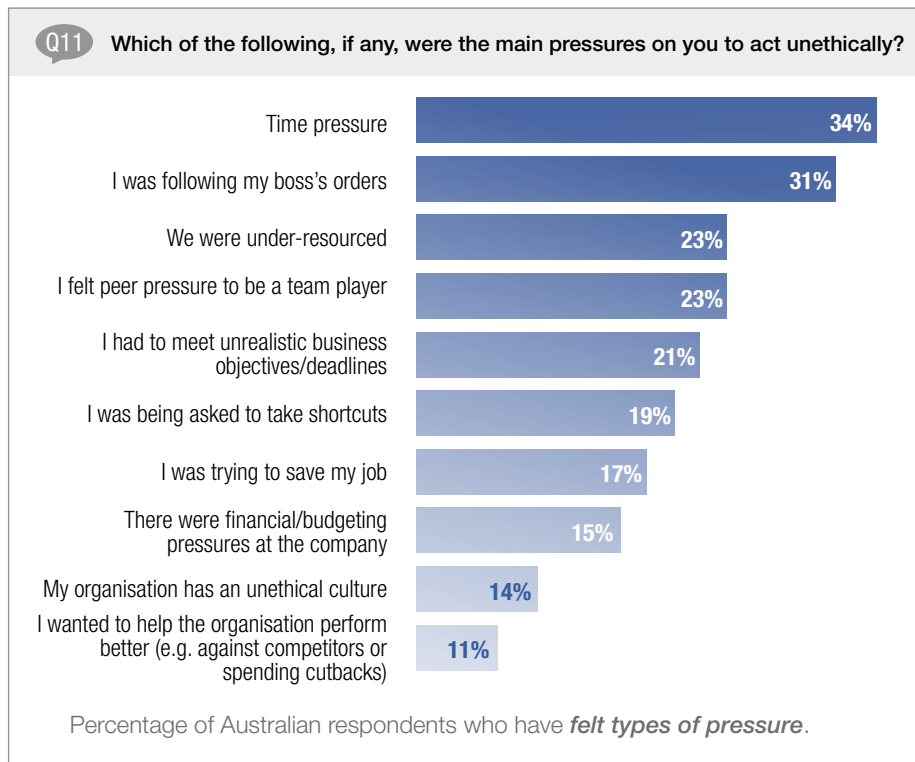More than one in 10 respondents in Australia (13%) say they have felt some form of pressure to compromise their current organisation's standards of ethical behaviour. Figure 5 illustrates the sources of pressure experienced.

Employees in Australia are most likely to have felt pressured to compromise ethical standards because of time pressure (34%); following a boss's orders (31%) and being under-resourced (23%).

Figure 5 Types of pressure to compromise ethical standards

Q11   **Which of the following, if any, were the main pressures on you to act unethically?**

Time pressure	**34%**
I was following my boss's orders	**31%**
We were under-resourced	**23%**
I felt peer pressure to be a team player	**23%**
I had to meet unrealistic business objectives/deadlines	**21%**
I was being asked to take shortcuts	**19%**
I was trying to save my job	**17%**
There were financial/budgeting pressures at the company	**15%**
My organisation has an unethical culture	**14%**
I wanted to help the organisation perform better (e.g. against competitors or spending cutbacks)	**11%**

Percentage of Australian respondents who have *felt types of pressure*.

Focus on...
Implications of pressures to compromise ethical standards

This survey shows that employees in Australia who have felt pressured to compromise their current 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 certain questionable workplace practices acceptable. For instance, 26% say that charging personal entertainment to expenses is acceptable, compared to 7% of respondents who have not felt pressured.

❗ **A negative perception of how frequently honesty is practised at work.** 7% of employees who have felt pressured to compromise ethics say that honesty is rarely or never practised in their organisation's daily operations, in comparison with only 2% of employees who have not felt pressured.

❗ **A negative outlook on how the organisation engages with its stakeholders.** Employees who have felt pressured to compromise ethics are more likely to disagree that their organisation engages responsibly in all its business dealings: 24% disagree, compared to 6% of those who have not felt pressured. In addition, 30% disagree that their organisation lives up to its stated policy of social responsibility, compared to 5% of those who have not felt pressured.

❗ **Been aware of misconduct at work.** 66% of employees who have felt pressured to compromise ethics say they have been aware of instances of misconduct during the past year at work, in comparison with 17% of those who have not felt pressured.

❗ **A negative perception of the ability of managers to promote ethics.** 43% of respondents who have felt pressured to compromise ethics agree that their line manager rewards employees who achieve good results, even if they use questionable practices. Only 31% of those who have not felt pressured say the same.

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).

In Australia, 38% of employees say that their organisation provides all four building blocks, while 10% say it offers none.

Figure 6 illustrates that, of the four building blocks, employees are most likely to be aware of their organisation having written standards of ethical business conduct (73%). Employees are least likely to be aware of their organisation offering advice or an information helpline where they can get advice about behaving ethically at work.

38% of Australian employees say that their organisation provides all four building blocks of a formal ethics programme, while 10% say that it offers none

Figure 6 **Employee awareness of the building blocks of a formal ethics programme**

Q8 Please indicate whether each of the following statements apply to your organisation or not.

My organisation has written standards of ethical business conduct that provide guidelines for my job

73%

My organisation provides employees with a means of reporting misconduct confidentially

61%

My organisation provides training on standards of ethical conduct

59%

My organisation offers advice or an information helpline where I can get advice about behaving ethically at work

52%

Percentage of Australian respondents who say *yes*.

Younger employees aged 18-34 are more likely to be aware that their organisation has an information helpline to ask for advice than their older colleagues aged 55+ (55% vs 45%).

Women are more likely to say that their organisation provides training on standards of ethical conduct than men (64% vs 55%).

Employees in the **public/third sector** are more likely to be aware of each of the four building blocks of an ethics programme than employees in the private sector. For example, 81% of public/third sector employees say their organisation has written standards of ethical business conduct, compared with 67% of private sector respondents.

Focus on...

The impact of providing formal support for ethics in the workplace

This survey shows that employees in Australia 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.** 89% of employees whose organisation has a comprehensive ethics programme say that honesty is practised always or frequently in their organisation's daily operations, compared to only 75% in organisations without an ethics programme.

✅ **A positive outlook on how the organisation engages with its stakeholders.** Respondents whose organisation has a comprehensive ethics programme are more likely to have a positive outlook on how their organisation engages with stakeholders. For example, 84% say that their organisation acts responsibly in all its business dealings with stakeholders, compared to only 49% of respondents in organisations without an ethics programme.

Focus on... *continued*

❓ 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, 81% agree that their line manager explains the importance of honesty and ethics at work, compared to only 19% of employees in organisations without an ethics programme.

However, 44% of employees in organisations with a comprehensive ethics programme say that their line manger rewards employees who get good results, even if they use practices that are ethically questionable. Only 19% of employees in organisations without an ethics programme say the same.

❗ Been aware of misconduct at work. 26% of employees in organisations with a comprehensive ethics programme say they have been aware of misconduct during the past year at work, compared to 15% of those whose organisation has no ethics programme.

These results seem counterintuitive, especially in comparison with other 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.

Employees in **large organisations** are more likely to be aware of each of the four building blocks of an ethics programme than those in SMEs. For example, 76% of employees in large organisations say that their organisation provides ethics training, compared with 51% of those in SMEs.

How do employers incentivise ethical behaviour?

Respondents were asked whether their organisation provides incentives to encourage employees to live up to its ethical standards. Less than a quarter of employees in Australia (22%) say that their organisation provides these incentives.

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. Over two fifths of employees whose organisation offers incentives say that ethics is part of their annual appraisal/review (43%).

Other incentives that were tested are taking ethical considerations into account in assessing bonus payments (35%); public commendation of ethical behaviour such as employee awards (27%) and salary increases (27%).

> *Less than a quarter (22%) of employees in Australia say that their organisation provides incentives to encourage employees to live up to its ethical standards*

Focus on...
The impact of providing incentives to encourage ethical behaviour

This survey shows that although incentives to encourage ethical behaviour 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 Australia who are aware of their organisation providing incentives are more likely to have:

✅ **A positive perception of how frequently honesty is practised at work.** 42% of respondents in organisations that provide incentives to encourage ethical behaviour say that honesty is always practised in their organisation's daily operations, compared to 26% in organisations without incentives.

✅ **A positive outlook on how the organisation engages with its stakeholders.** Employees in organisations that provide incentives are significantly more likely to agree with the three statements relating to stakeholder engagement than those in organisations without incentives. For example, 84% think that that their organisation lives up to its stated policy of social responsibility, compared to 64% in organisations without incentives.

✅ **Spoken up about misconduct at work.** 81% of employees who have been aware of misconduct during the past year at work and whose organisation provides incentives say that they raised their concerns, in comparison with just 53% of respondents in a similar position in organisations without incentives.

Of those who have been aware of misconduct and spoke up, 90% of respondents in organisations with incentives say they are satisfied with the outcome of speaking up, compared to only 49% in organisations without 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.** Employees in organisations that provide incentives are more likely than those in organisations without incentives to agree that their line manager sets a good example of ethical behaviour (86% vs 65%); explains the importance of honesty and ethics at work (84% vs 51%) and supports them in following their organisation's ethical standards (84% vs 63%). They are, however, also more likely to say that their line manager rewards employees who get good results, even if they are achieved through ethically questionable practices (51% vs 28%).

> *Employees in organisations that provide ethics-related incentives are more likely to say that honesty is always practised in their organisation*

Focus on... *continued*

🔴 **Lenient attitudes to some questionable workplace practices.**
Employees who work in organisations that provide incentives are more likely than those in organisations without incentives to find some ethically questionable workplace practices acceptable. For example, finding it acceptable to favour family or friends when recruiting or awarding contracts (27% vs 7%); saying that minor fiddling of expenses is acceptable (26% vs 8%) and thinking that charging personal entertainment to expenses is acceptable (24% vs 5%).

🔴 **Felt pressured to compromise ethics.** 23% of respondents in organisations that provide incentives have felt pressured to compromise their organisation's ethical standards compared to only 12% in organisations without incentives.

These rather counterintuitive findings might indicate that organisations need to design their incentive schemes with special care. Focussing primarily on specific Key Performance Indicators (KPIs) might detract an employee's attention from wider ethical dilemmas. It is important that employees are encouraged to think about and make ethical decisions for themselves and not just comply with a list of organisational requirements.

> *Employees in organisations with ethics-related incentives are more likely to have felt pressured to compromise ethics*

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.
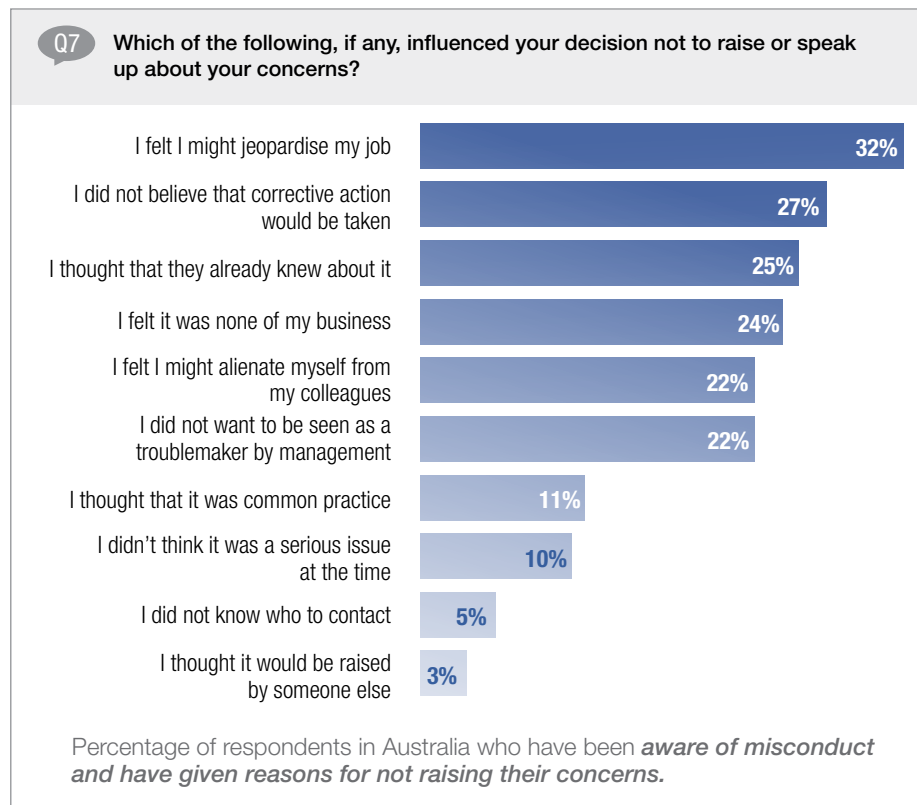
The 24% of respondents in Australia who have been aware of misconduct during the past year at work were asked whether they raised – or decided to speak up about – any of their concerns internally, directly to management or using any of the mechanisms available in their organisation. Almost two thirds (63%) of Australian employees who have been aware of misconduct spoke up.

The 35% of respondents who have been aware of misconduct in the past 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 7).

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

Figure 7 Reasons why employees did not raise concerns about misconduct

Q7 Which of the following, if any, influenced your decision not to raise or speak up about your concerns?

Reason	%
I felt I might jeopardise my job	32%
I did not believe that corrective action would be taken	27%
I thought that they already knew about it	25%
I felt it was none of my business	24%
I felt I might alienate myself from my colleagues	22%
I did not want to be seen as a troublemaker by management	22%
I thought that it was common practice	11%
I didn't think it was a serious issue at the time	10%
I did not know who to contact	5%
I thought it would be raised by someone else	3%

*Percentage of respondents in Australia who have been **aware of misconduct and have given reasons for not raising their concerns.***

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 raised their concerns were asked whether they were satisfied with the outcome of doing so. Nearly two thirds of these respondents (63%) are satisfied with their organisation's response to them speaking up.

To support ethics in the workplace, it is crucial that organisations communicate promptly and comprehensively to internal and external stakeholders with regard to organisational culture indicators. According to a study conducted by the research organisation Regnan in Australia, intangible assets such as reputation and the social licence to operate represent a significant proportion of the value in Australian listed companies. They estimate that 'book value' represents only around half of current market value for the Australian S&P/ASX200 stock market index. Regnan argues that intangible assets receive relatively scant attention in corporate communications to investors because they are difficult to quantify in monetary terms.

However, this is problematic because ethical conduct can have a significant impact on the long-term value of a company. Regnan's analysis found a positive correlation between high-quality ethics risk management and company performance. According to the analysis, companies that managed conduct and culture well significantly outperformed companies that did not. Regnan also highlighted that companies with good conduct management outperformed the S&P/ASX200 index over the testing period. Conversely, companies with poor conduct management underperformed significantly. [2]

An important indicator of whether employees think their organisation is taking ethical misconduct seriously is the action taken against employees who violate the organisation's ethical standards. It is important to include this information in corporate communications. 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. Three fifths of Australian respondents (59%) think that their organisation disciplines employees who violate their organisation's ethical standards.

> **"**
> *59% of Australian employees think that their organisation disciplines employees who violate their organisation's ethical standards*

Issue 2: Ethical management

This report 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 8.
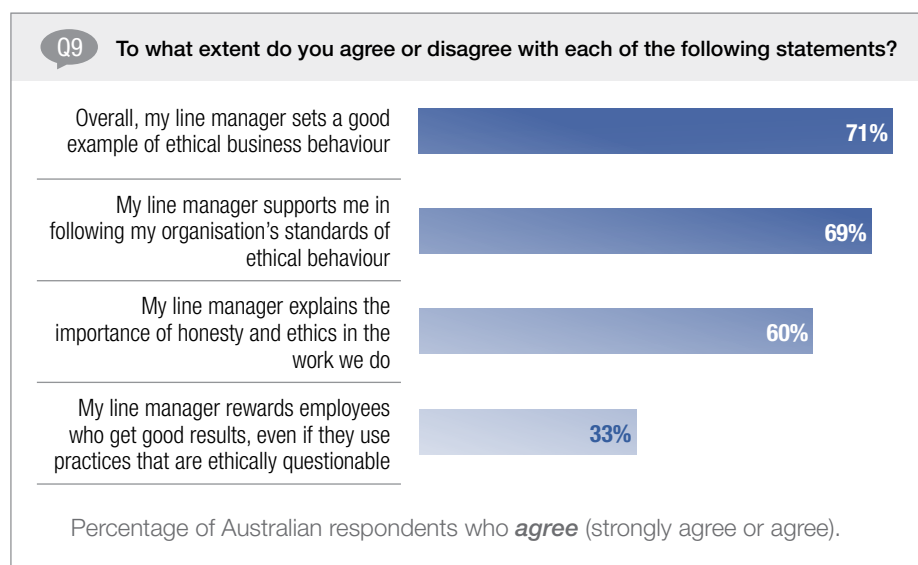
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[2] Regnan (2018) *The Intersection of Conduct Culture and Company Value*

A majority of respondents in Australia are positive about the behaviour of their line manager. For example, 71% of employees think that their line manager sets a good example of ethical business behaviour. However, a third of respondents (33%) also believe that their line manager rewards employees who get good results, even if they use practices that are ethically questionable.

In other words, when decisions about rewards and recognition are involved, their line manager prioritises 'what' is achieved over 'how' it is done. This figure is of particular concern as, together with the UK, Australia has a higher percentage of employees who agree with this statement than any of the other 12 countries surveyed.

Figure 8 Perception of management behaviour

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

Statement	
Overall, my line manager sets a good example of ethical business behaviour	71%
My line manager supports me in following my organisation's standards of ethical behaviour	69%
My line manager explains the importance of honesty and ethics in the work we do	60%
My line manager rewards employees who get good results, even if they use practices that are ethically questionable	33%

Percentage of Australian respondents who **agree** (strongly agree or agree).

Younger employees aged 18-34 are more likely to say that their line manager rewards employees who get good results, even if they use practices that are ethically questionable (40%) than mid-career employees aged 35-54 (31%) and older employees aged 55+ (23%).

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

This survey shows that employees in Australia 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 in their organisation's daily operations (94%) than those in unsupportive organisations (65%).

✅ **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 (19%) than employees in unsupportive organisations (50%).

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 and unsupportive organisations are those in which respondents disagree or tend to disagree with three or more of the statements.
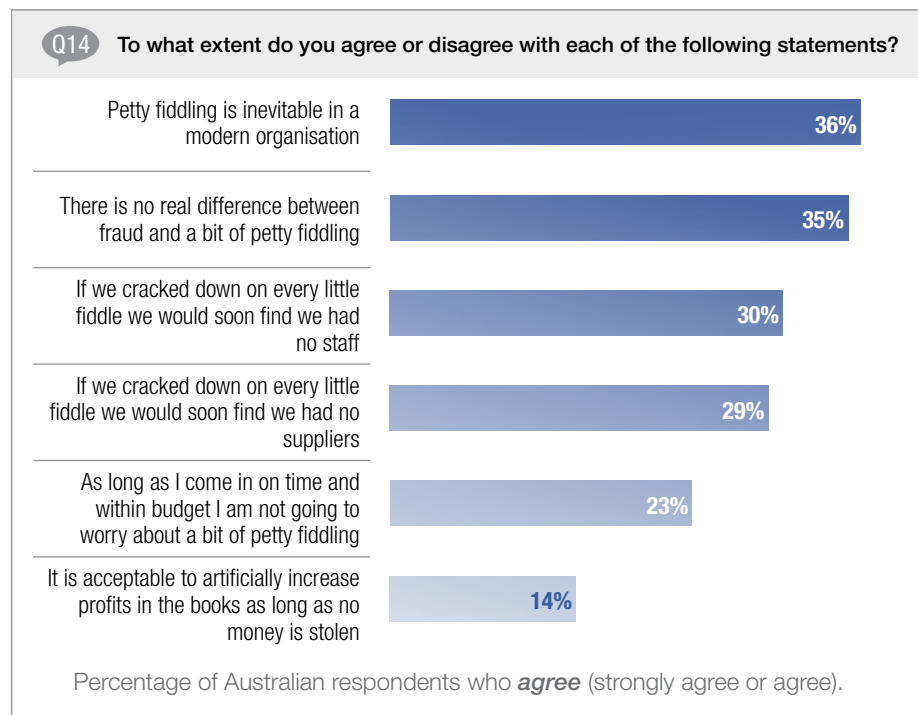
Focus on... *continued*

✅ **Not felt pressured to compromise ethics.** Employees in the most supportive organisations are more likely than those in unsupportive organisations to say that they have not felt pressured to compromise their organisation's ethical standards (89% vs 52%).

✅ **Spoken up about misconduct at work.** Employees in the most supportive organisations who have been aware of misconduct during the past year at work are more likely to have spoken up about their concerns (79%) than those in a similar position in unsupportive organisations (48%).

What are managers' views of ethics at work?

In order to both 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 and lead by example on the application of ethical values to the day-to-day tasks in the workplace.

To understand this, the 36% of Australian respondents 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. Figure 9 illustrates the findings. An example of petty fiddling is an employee charging their company for small items such as a taxi ride when they used public transport instead.

Figure 9 Attitudes to petty fiddling

Q14   To what extent do you agree or disagree with each of the following statements?

Statement	Percentage
Petty fiddling is inevitable in a modern organisation	36%
There is no real difference between fraud and a bit of petty fiddling	35%
If we cracked down on every little fiddle we would soon find we had no staff	30%
If we cracked down on every little fiddle we would soon find we had no suppliers	29%
As long as I come in on time and within budget I am not going to worry about a bit of petty fiddling	23%
It is acceptable to artificially increase profits in the books as long as no money is stolen	14%

Percentage of Australian respondents who *agree* (strongly agree or agree).

Male managers are more likely than female managers to agree that it is acceptable to artificially increase profits in the books as long as no money is stolen (17% vs 7%).

Younger managers aged 18-34 are more likely to agree with three of the statements about petty fiddling. For example, 40% agree that if they cracked down on every little fiddle they would soon find they have no staff, compared to 26% of mid-career managers aged 35-54 and 22% of older managers aged 55+.

Managers in the **public/third sector** are more likely to find it acceptable to artificially increase profits in the books as long as no money is stolen than employees in the private sector (25% vs 7%).

Focus on...
Attitudes of managers towards ethics at work

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

✅ **A positive outlook on engagement with external stakeholders.**
77% of managers say their organisation acts responsibly in all its business dealings (compared to 71% of non-managers) and 75% say their organisation lives up to its stated policy of social responsibility (compared to 67% of non-managers).

✅ **Spoken up about misconduct at work.** Managers who have been aware of misconduct during the past year at work are more likely to have spoken up about their concerns. 74% of managers who have been aware of misconduct say they raised their concerns, compared to 55% of non-managers in a similar position.

❗ **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 (16% vs 6%); minor fiddling/exaggeration of travel expenses (18% vs 8%); using company petrol for personal mileage (21% vs 11%) and favouring family or friends when recruiting or awarding contracts (19% vs 11%).

❗ **Been aware of misconduct at work.** Managers are more likely to have been aware of misconduct during the past year at work than non-managers (29% vs 21%).

❗ **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 (19% vs 10%).

Managers in **large organisations** are more likely to agree that there is no real difference between fraud and a bit of petty fiddling than managers in SMEs (47% vs 30%).

❝ . . . .

Managers are more likely to have been aware of misconduct 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 work in practice?
It is encouraging to see that a majority of Australian respondents are aware that their organisation has each of the four building blocks of an ethics programme. For example, 73% say that their organisation has written standards of ethical business conduct and 61% say that their organisation provides a means of reporting misconduct confidentially.

Employees in organisations with a comprehensive ethics programme are more likely to say that honesty is practised always or frequently (89%) than employees in organisations with no ethics programme (75%). They are also more likely to have a positive outlook on how their organisation engages with stakeholders: 84% of employees in organisations with a comprehensive ethics programme say that their organisation acts responsibly in all its business dealings, compared to 49% of employees in organisations with no ethics programme.

It is vital that all employees feel that ethics is their individual responsibility, as well as that of their managers

However, although a majority (63%) of respondents who have been aware of misconduct reported their concerns, 35% did not. This might indicate that the existence of an ethics programme is not sufficient to ensure an ethical culture. The ethics programme has to be supported by the right communication and tone from the top, to make sure that all employees feel supported and are confident enough to raise any concerns they may have.

Do employees feel responsible for ethics?
Maintaining an ethical culture at work should be the responsibility of everyone in the organisation. It is therefore worrying that a quarter (25%) of Australian employees who have been aware of misconduct and decided not to speak up say their decision was based on the belief that they thought the company already knew about it, while a quarter (24%) say they did not raise their concerns because they felt it was none of their business.

Employees often become aware of misconduct before management does. In order to avoid the resulting damaging impact of ethical failure on both the organisation and its employees, it is vital that all employees feel that ethics is their individual responsibility, as well as that of their managers. Although the *Ethics at Work* findings suggest that employees in Australia are confident that their manager sets a good example of ethical business behaviour (71%), over-reliance on managers to promote ethics may not be sufficient.

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. 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.

Employees in organisations with incentives to encourage ethical behaviour and who have been aware of misconduct during the past year at work are more likely to speak up (81% compared to 53% of employees in a similar position in organisations without incentives). However, they are also more likely to have lenient attitudes to some questionable workplace practices and to have felt pressured to compromise their organisation's ethical standards (23% compared to 12% of those in organisations without incentives). 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 report presents the findings of public research undertaken by ComRes on behalf of the IBE and The Ethics Centre. 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, the IBE 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 to business ethics 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 the Australian findings.

The survey was completed by a representative sample of 752 working adults in Australia aged 18+. 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
Australia	752	384	368	-	294	311	147	-	308	444	271	481	379	313

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.

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 (e.g. don't know or other).

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[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 = 752 employees in Australia.

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 = 752 employees in Australia.

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 = 752 employees in Australia.

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 = 181 employees in Australia 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 = 181 employees in Australia 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 = 114 employees in Australia 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 = 63 employees in Australia who were aware of legal or ethical violations 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 = 752 employees in Australia.

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 = 752 employees in Australia.

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 = 752 employees in Australia.

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 = 100 employees in Australia 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 = 752 employees in Australia.

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 = 167 employees in Australia 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 = 271 managers in Australia.

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:

Ethics at Work: 2018 survey of employees

Guendalina Dondé and Katja Somasundaram

Employees' views are a key indicator of the ethical temperature in today's organisations. *Ethics at Work: 2018 survey of employees* is the only survey of its kind that provides real insight into employees' views on ethics across all sectors and job roles. It covers Europe, Australia, Canada, New Zealand and Singapore.

The survey, first introduced in 2005, asks employees how they experience ethical dilemmas in their day-to-day working lives. It looks at whether they have witnessed misconduct; whether they have reported it; the pressures they are under and what stops them speaking up. The *Ethics at Work* reports examine employees' experiences and the impact of formal ethics programmes on embedding ethical values into organisational culture and influencing behaviour.

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.

Setting the Tone: a New Zealand perspective

By Jane Arnott and Guendalina Dondé

Why is it important to set the right tone from the top? What leadership traits promote trust? And how can these qualities be applied to business and effectively engage stakeholders?

This report explores the importance of ethical leadership in setting the tone of a business from a New Zealand perspective. It provides an overview of thought leadership and highlights some of its practical applications in New Zealand by drawing on a series of interviews with prominent business leaders.

## Good Practice Guide: Encouraging a Speak Up Culture
Katherine Bradshaw

The freedom to raise concerns without fear of retaliation is a core component of a supportive ethical business culture – one where employees are confident they will be supported to 'do the right thing'. *Encouraging a Speak Up Culture* is the latest IBE Good Practice Guide. It examines practical ways that organisations can encourage a Speak Up culture by establishing a procedure to give employees the confidence to raise concerns about anything they find unsafe, unethical or unlawful without fear of retaliation. If companies do not support their employees in this way, they risk a concern becoming a crisis.
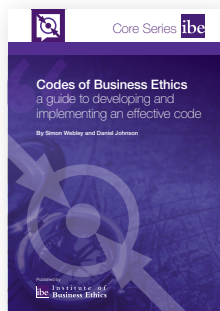
Codes of Business Ethics: a guide to developing and implementing an effective code
**Simon Webley and Daniel Johnson**

Updated guidance from the IBE on how to develop and implement an effective code of ethics. This Core IBE Report addresses many of the questions that arise when organisations wish to provide support and guidance to staff in ethical decision-making. It is intended to apply to organisations of any size, regardless of the sector in which they operate and will assist those charged with implementing or updating their organisation's code of ethics. *Codes of Business Ethics* follows the IBE 9–Step Model and shares examples of good practice.
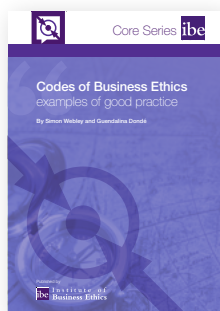
Codes of Business Ethics: examples of good practice
Simon Webley and Guendalina Dondé

This companion publication to *Codes of Business Ethics: a guide to developing and implementing an effective code* draws on the wording of a number of current corporate codes which address the most common concerns encountered in doing business today. There are potentially 108 issues which codes of ethics can cover. These include new issues, such as personal relationships at work; treating customers fairly; social media; protection of the company's brand; risk management and prioritising ethics over profits which did not exist when the guidance was last updated in 2003.
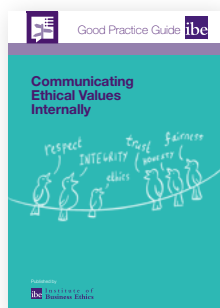
Good Practice Guide: Communicating Ethical Values Internally
Katherine Bradshaw

An organisation which operates to high ethical standards is one where ethics is just 'the way we do things around here'. But how do you communicate something as nebulous as 'integrity'? How can you communicate the ethical standards of an organisation effectively, so that they are not only understood, but are embedded in decision-making and behaviour? This guide shares examples of some ways of communicating messages about ethical values to employees so that they are empowered to 'do the right thing'. It examines the role of internal communications in establishing a corporate culture.

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.

Business Ethics and Artificial Intelligence

What is artificial intelligence and what is the impact of AI developments on our society? What are the biggest risks that new technologies can pose? How will we seek to control the way it affects our daily lives? Are we preparing ourselves sufficiently?

This Business Ethics Briefing looks at these questions and sets forth a framework of fundamental values and principles for the use of AI in business.

The IBE encourages organisations to engage in a multi-stakeholder dialogue that always considers commitment to ethical values in the application and impact of AI developments.

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
Australia

Employees' views are a key indicator of the ethical temperature in Australian 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 organisations and what should be the focus going forward?

This survey report presents the IBE survey findings, which give a snapshot of the business ethics landscape in Australia. The report focuses on three key themes. These relate to assessing the ethical culture of an organisation; identifying ethical risks and supporting ethics 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 concerns on ethics 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.