Ethics at Work
2018 survey of employees
Switzerland

By Guendalina Dondé, Sophie Coughlan and Loïc Frank

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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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Author

Guendalina Dondé is Head of Research 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.

Research Associates

Sophie Coughlan is an experienced researcher, with a strong interest in governance and stewardship, sustainability and education. A dual national of Switzerland and the US, she has worked at the Ecole Hotelière de Lausanne and IMD Business School, as programme manager, senior researcher for the IMD Global Board Center, leadership coach and facilitator. At London Business School, she was the Associate Director of the Aditya V. Birla India Centre and the Centre for Marketing, developing and managing donor relations and outreach activities. Sophie began her career in the area of environmental policy analysis at the International Academy of the Environment and World Business Council for Sustainable Development (WBCSD) in Geneva (working primarily in the area of climate change). She subsequently directed a European-wide project on integrating corporate sustainability into the business school curriculum for the European Academy of Business in Society (EABIS). Sophie holds a Post-Graduate Certificate in Education from the University of Nottingham (UK), an MA in Environmental Studies from Macquarie University (Australia) and a BA in Political Science from Swarthmore College (USA). She is also certified as a group facilitator with the Tavistock Institute.

Loïc Frank is Director of Operations at the Stewardship Institute, a foundation based in Switzerland. He co-created the IMD Global Board Center at IMB Business School. Over the past 10 years he has managed a large number of board education programmes, board evaluations and reviews. He holds a bachelor's degree in Business Administration as well as a Certificate of Advanced Studies (CAS) in Project Management, Managing Information Systems and Economics for Business, both from Business School Lausanne.

Acknowledgements

The IBE and the Stewardship Institute would like to thank the following organisations for their generous support of this survey report.

IBE Foreword

The IBE has been running the *Ethics at Work* survey since 2005, expanding the range of countries included in the survey over the years. This is the first time Switzerland has been included, reflecting the support and interest shown by our National Partner, the Stewardship Institute.

Set against the backdrop of the current business environment, it is interesting to see how Swiss employees 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.

Switzerland is a sophisticated and mature country, which is reflected in the results of this survey. However, like employees in other countries, those in Switzerland still face the same pressures to compromise ethical standards and can be afraid to speak up about misconduct at work. There is an indication that Swiss companies and organisations need to do more to support their employees.

We are pleased to present this joint publication and are grateful to all those who have provided additional financial support for this survey – who are listed on the Authors and Acknowledgements page. 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 Head of Research, for her analysis and authorship and to the Stewardship Institute for their additional research for the report.

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*

Can one measure ethics and, if yes, how does Switzerland fare? This challenging survey report looks at current practices as seen through the eyes of employees and poses many questions. The Stewardship Institute and the IBE have collaborated to include Switzerland in the *Ethics at Work* survey for the first time in 2018, in order to address this important question. Without strong ethics in the workplace, business credential in society is threatened. Is business a force for good in Switzerland? If it provides wealth, technological innovation and social advances, it certainly can be. But if pressures and practices lead to unfair and unethical decisions and actions, this certainly is challenged.

We at the Stewardship Institute believe that the businesses of the future will pay more attention to these key values of social impact, fairness and responsible use of technology that truly improves lives. To reach that goal, there is no better way than looking into our weaknesses. This report provides a sometimes bleak view of employees' perception of business practices. We in Switzerland, one of the most competitive countries in the world, do not always look bright. And certainly we have our strengths. This survey report details both strengths and weaknesses, as well as the threats and opportunities they naturally create.

In our view, the main conclusions are:

1. Petty misbehaviour is more accepted than elsewhere in Europe but the view of honesty is higher than elsewhere.

2. Swiss enterprises are seen as more responsible by their employees than elsewhere in Europe.

3. Swiss employees report significantly more discrimination and abusive behaviours/harassment than others in Europe.

4. Time pressure, unrealistic expectations of performance or the boss's orders are the main drivers for unethical practices.

5. Ethics are a strong driver of employee engagement and wellbeing in their organisation and in society at large.

6. Swiss employees are less aware of whom to turn to and less satisfied with responses from the management on unethical behaviours than their European peers, but they see their managers as having higher standards of ethical behaviour than their European peers.

(signature)

Professor Didier Cossin
Founder and President
The Stewardship Institute

> *" Without strong ethics in the workplace, business credential in society is threatened. Is business a force for good in Switzerland?*

* The views expressed in this foreword are those of the author mentioned above. They do not necessarily reflect the views of the Institute of Business Ethics (IBE) or research partner ComRes.

The Stewardship Institute

The Stewardship Institute brings together leading economic actors from corporate and investment worlds to combine their knowledge and experience, encouraging business wealth creation towards positive social impact.

This is not about giving back. This is more about how businesses can be more of a positive force in society.

By providing scientific research, investment and guidance, the Stewardship Institute builds and supports a network of change-makers who take action to advance societal goals and tackle societal challenges. We enable them to shape a strong and positive economy, socially sustainable and preferable to all.

For more information www.stewardshipinstitute.com

Professor Didier Cossin
Prof. Cossin is the founder and director of the IMD Global Board Center, the originator of the Four Pillars of Board Effectiveness methodology and an advocate of Stewardship. He is the founder of The Stewardship Institute, author and co-author of books such as *Inspiring Stewardship*, book chapters (such as *Governance Risk: A Guide for Investors*) and many articles in the fields of governance, investments, risks and stewardship, several of which have obtained citations of excellence or other awards.

Key Findings from Switzerland

Culture

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

Always/frequently	**75%**
Occasionally	**18%**
Rarely/never	**5%**
Don't know	**1%**

Speaking up

40% of employees in Switzerland 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 **30%**
2. I did not believe that corrective action would be taken **29%**
3. I felt it was none of my business **21%**

Behaviour

27% of Swiss employees have been aware of misconduct at work. The most common types of misconduct they noticed are…

Misreporting hours worked	**50%**
People treated inappropriately/unethically	**44%**
Abusive behaviour	**33%**

16% of Swiss employees have felt pressured to compromise ethical standards. The main pressures are…

1. Time pressure **35%**
2. I was following my boss's orders **30%**
3. I had to meet unrealistic objectives and deadlines **29%**

Ethics programme

The majority of Swiss employees say that their organisation has written standards of ethical business conduct. However, the awareness of each of the other building blocks of an ethics programme is significantly lower.

My organisation…

Has written standards of ethical business conduct that provide guidelines for my job **61%**

Provides employees with a means of reporting misconduct confidentially **36%**

Offers advice or an information helpline where I can get advice about behaving ethically at work **26%**

Provides training on standards of ethical conduct **30%**

Please see Appendix 1 for methodology, respondent profile, base sizes, how averages have been calculated 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?

The IBE and the Stewardship Institute asked questions of the Swiss workforce for the first time in 2018 to gauge employees' perception of ethics in the workplace. This survey report presents results from the 2018 research into ethics at work in Switzerland. Data was collected online by the research consultancy ComRes on behalf of the IBE and the Stewardship Institute in February 2018.

The full list of countries included in the survey is France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and the UK within Europe, as well as Australia, Canada, Singapore and New Zealand.

Please see E*thics 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. [1]

The aims of the *Ethics at Work: 2018 survey of employees* were as follows:

- To **develop** an understanding of employees' attitudes to and perceptions of ethics in the workplace in Switzerland in 2018

- To **compare** how business ethics is viewed and understood by employees in different countries.

This report details survey findings from a nationally representative sample of 756 employees in Switzerland. 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.

> " . . . .
> *The IBE and the Stewardship Institute asked questions of the Swiss workforce for the first time in 2018 to gauge employees' perception of ethics in the workplace*
> . . . .

[1] www.ibe.org.uk/research-and-publications

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 Swiss results in context, throughout this report they are compared to the average data from all of the eight European countries included in the survey in 2018, including Switzerland. The averages throughout the report reflect the percentage of all 6,119 respondents in France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and the UK after each country's data was weighted to reflect the workforce by gender, age and region.

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 approaches this task by looking 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** 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.

- Theme 2: **Identifying ethical risks** is important in order to understand which issues should be the focus of an organisation's ethics programme, the aim of which is to ensure that employees do not feel pressured to compromise ethical standards.

- Theme 3: **Supporting ethics standards** at work by providing the fundamental components of an effective ethics programme minimises ethical risks and shapes organisational culture around core ethical values.

Theme 1: Assessing the ethical culture

There has been much debate on how organisations can understand what defines their culture, how to shape it and how to measure it. One way of doing this is to ask the employees themselves by including questions on ethics in employee surveys. [2]

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

Ethics in practice

What do organisations say?

"Our reputation for ethical behavior and integrity is one of our most valuable assets. It is the result of our daily actions and an integral part of our endeavor to create sustainable value and success."

Sonova [3]

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[2] IBE (2018) *Culture Indicators: understanding corporate behaviour*

[3] www.sonova.com/en/csr/ethics-integrity

Did you know?

Corporate culture and stewardship

Corporate culture refers to the beliefs, values and behaviours that determine how an organisation's employees and management conduct their business and manage relationships with individuals and groups with whom they have dealings within and outside the organisation (stakeholders). Corporate culture is often implied, not expressly defined, and develops organically over time from the example set at the top and from the traits of the people the organisation employs.

A healthy corporate culture is vital to protect and generate value for the organisation and it is therefore important to have a continuous focus on culture. The value of stewardship is closely linked to this, as Professor Didier Cossin, President of the Stewardship Institute and Professor in Finance and Governance at the International Institute for Management Development, points out: *"Stewardship is the act of safeguarding and enhancing the capability of the organisation to create economic and societal value over time. It really is about handing to the next generation something better than we got. This is, of course, at the heart of noble human activity, and certainly of business as well."*

Stewardship is built on internal relationships with employees and external relationships with customers, suppliers and other stakeholders. Well-stewarded firms have solid foundations, which they build on to develop capabilities that make them resilient to crises. Companies that declare a clear and distinct objective – and align their values, structures and processes accordingly – provide their managers and employees with clarity of purpose. Engaged employees make real contributions to efficiency and innovation, as well as operating margins and branding.

Stewardship is characterised by a broader and longer-term perspective, as well as a deeper understanding of context. The impact of an organisation's actions today, as well as over time, will inform its strategic decision-making and operations. Through their interactions with internal and external stakeholders, well-stewarded companies gain the contextual intelligence and relationships they require to act as a constructive force in society. This allows them to play a positive role in the wider community in which they operate.

> *A healthy corporate culture is vital to protect and generate value for the organisation and it is therefore important to have a continuous focus on culture*

A study by KPMG in 2015 showed that 84% of the Swiss top 50 companies by value on the SIX Swiss Exchange have a code of conduct. [4] Of the companies that have codes:

- 26% of the codes are rules-based, 36% are principles-based and 38% are a combination of both

- 33% of the codes explain the principles and rules written in the code using examples and clarifications

[4] KPMG (2015) *Swiss Codes of Conduct: benchmarking the Swiss Codes with the Global 200*

- Anti-competition activities, conflict of interest, the stance of the company toward bribery and corruption and protecting confidential information are covered in 80% of the codes of conduct

- There is specific reference to a reporting hotline or other anonymous reporting instrument in just 57% of cases

- Fewer than 15% of companies have human resources available in their business units to monitor compliance with their code

- The company's position on environmental issues and sustainability is specified in 70% of codes

- Half of the codes refer to other policies or guidelines

- E-learning modules are used by more than 80% of companies to implement their code.

Ethics in practice

Do organisations live up to their values?

Swiss Post describes its *Code of Conduct* as follows: *"The Swiss Post Code of Conduct is aimed at employees of Swiss Post and its subsidiaries, and determines the behaviour expected of them. Its key aspects relate to the acceptance of responsibility, dealing with all stakeholders with respect, integrity and care in the interests of Swiss Post, as well as compliance with rules and regulations. The Code of Conduct is part of the employment contract."* [5]

However, the Chief Executive Officer of Swiss Post, Susanne Ruoff, resigned in 2018 over the behaviour of a subsidiary that was both illegal and violated the company's *Code of Conduct*. According to an article in The Local:

"In a case that shocked Switzerland, it emerged in February that national icon PostBus, a Swiss Post subsidiary, used accounting tricks to illegally obtain at least 90.87 million francs in state subsidies for the operation of its regional transport services. […] As a subsidised enterprise, PostBus Switzerland is legally forbidden from turning a profit. But the subsidies scandal saw PostBus use irregular accounting practices to divert profits from its subsidized regional transport business into other profit-making parts of the business."

The article quotes Swiss Transport Minister Doris Leuthard's reaction to the news: *"Trust is good, but controls are better."* [6]

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[5] Swiss Post (2018) *Compliance Management System*, which refers to Swiss Post (2011) *Code of Conduct Swiss Post*

[6] The Local (12 June 2018) *Swiss Post boss forced out over massive subsidies scandal*

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. Although some of these may seem trivial, these answers are important indicators of what kinds of behaviour are considered acceptable in the workplace, and where employees' ethical boundaries lie.

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?

Making personal phone calls from work
- 55%
- 47%
- 45%
- 51%

Using the internet for personal use during work hours
- 47%
- 41%
- 52%
- 57%

Taking pencils and pens from work
- 32%
- 29%
- 67%
- 70%

Posting personal mail from work
- 31%
- 31%
- 67%
- 67%

Favouring family or friends when recruiting or awarding contracts
- 27%
- 19%
- 70%
- 78%

Using company petrol for personal mileage
- 14%
- 14%
- 83%
- 84%

Charging personal entertainment to expensess
- 9%
- 9%
- 88%
- 89%

Minor fiddling/exaggeration of travel expenses
- 7%
- 9%
- 91%
- 89%

Pretending to be sick to take the day off
- 5%
- 9%
- 94%
- 90%

Acceptable
- ■ **Switzerland**
- ■ European Average

Unacceptable
- ■ **Switzerland**
- ■ European Average

Percentage of respondents in Switzerland 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 the following are acceptable: using the internet for personal use during working hours (50% vs 42%); using company petrol for personal mileage (17% vs 10%) and pretending to be sick to take a day off (7% vs 3%).

Younger employees aged 18-34 seem to have a somewhat more lenient attitude towards the questionable workplace practices compared to other age groups: they are the most likely to agree with each of the questionable workplace practices tested. For example, younger employees are more likely to say that minor fiddling/exaggeration of travel expenses is acceptable (11%) than mid-career employees aged 35-54 (5%) and older employees aged 55+ (3%).

Employees in the **private sector** are more likely to say that making personal phone calls from work is acceptable than their colleagues in the public/third sector (59% vs 49%).

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, which is in line with the average results for European employees.

At the other end of the spectrum, significant proportions of Swiss respondents say that making personal phone calls from work (55%) and using the internet for personal use during working hours (47%) are acceptable practices. In particular, more than half of Swiss respondents think that making personal phone calls from work is acceptable.

It is worth noting that employees in Switzerland have a more lenient attitude than the European average towards the practice of favouring family or friends when recruiting or awarding contracts (27% vs 19% respectively).

Ethics in practice

What do organisations say?
Leading Swiss companies have set up guidelines relating to personal workplace relationships, thereby addressing the issue of conflicts of interest in relation to family or friends.

"Associates must not
- *Be in a supervisory, subordinate, or control relationship (e.g., having influence over conditions of employment) with closely related persons*
- *Be involved in any hiring decision regarding closely related persons (including internal/external hiring and internal transfers)."*

Novartis [7]

"Immediate family members and partners of employees may be hired as employees or consultants only if the appointment is based on qualifications, performance, skills and experience and provided that there is no direct or indirect reporting relationship between the employee and his or her relative or partner."

Nestlé [8]

> *Employees in Switzerland have a more lenient attitude than the European average towards the practice of favouring family or friends when recruiting or awarding contracts*

Is honesty applied in practice?

Another important issue to understand in order to assess 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 actions of their colleagues and managers.

While the ethical values that organisations adopt are varied, honesty *(onestà, honnêteté, Ehrlichkeit)* is one of the most frequently mentioned value-words in business – it is easily recognisable by everybody and often used in everyday language. This is also true in the negative, where examples easily come to mind as to what dishonest behaviour might look like in the workplace as well as outside.

[7] Novartis (2015) *Conflicts of Interest Policy*
[8] Nestlé (2007) *Code of Business Conduct*

This is particularly relevant in today's digital environment, where so-called 'fake news' can spread quickly through social media and it can be difficult to tell what is true and what is not. This situation places an important responsibility on organisations: being perceived as honest in all dealings is an essential part of creating a consistent bond of trust with the public, employees and other stakeholders.

Ethics in practice

What do organisations say in their code of ethics?

"We never use LafargeHolcim property or information for personal gain or take personal advantage of any opportunity that arises in the course of our work for LafargeHolcim."

LafargeHolcim [9]

"Employees may make reasonable personal use of the Internet and e-mail infrastructure provided that such use does not impact their work performance, create or exacerbate a security risk, or require significant resources. Private e-mails must be marked 'Private', all others are regarded as business e-mails."

Clariant [10]

"Roche electronic communication tools are to be used in principle and primarily for Roche's business purposes; however and unless there are further local restrictions, in exceptional cases these tools can be used for personal use, provided all preconditions as set forth in the Roche Directive on the Use of Roche Electronic Communication Tools are met."

Roche [11]

"Company assets are intended to be used for business purposes. Limited personal use is only permissible if it is not in conflict with the interests of ABB, this Code of Conduct or ABB's rules and policies."

ABB [12]

> "
> *Being perceived as honest in all dealings is an essential part of creating a consistent bond of trust with stakeholders*

Did you know?

Honesty

The Swiss financial service company UBS AG includes honesty as a hallmark of its corporate culture: *"UBS's inclusive culture encourages partnership and supports our employees' professional and personal ambitions. Open-mindedness, teamwork, honesty and respect are the cornerstones of how we work together."* [13]

[9] LafargeHolcim (2015) *Building with Integrity: our Code of Business Conduct*
[10] Clariant (2013) *Fair Play: Clariant Code of Conduct*
[11] Roche (2015) *Roche Group Code of Conduct*
[12] ABB (2013) *Code of Conduct*
[13] https://www.ubs.com/global/en/about_ubs/about_us/diversity/culture.html

Figure 2 shows how employees in Switzerland view how frequently honesty is practised within their organisation's daily operations, compared to the European average. Swiss employees seem to be slightly less positive than the European average: only 20% of respondents in Switzerland say that honesty is always practised in their organisation, compared to a European average of 29%. However, less than 1% of Swiss respondents think that honesty is never practised in their workplace.

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
20%
2018 **European Average 29%**

Frequently
55%
2018 **European Average 49%**

Occasionally
18%
2018 **European Average 15%**

Rarely
5%
2018 **European Average 5%**

Never
0%
2018 **European Average 1%**

Don't know
1%
2018 **European Average 2%**

Percentage of respondents in Switzerland who say *always, frequently, occasionally, rarely, never* or *don't know*.

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 (see Figure 3).

Results show that a higher proportion of employees in Switzerland agree with each of the statements relating to stakeholder engagement than the European average. However, only three fifths of employees (58%) agree that issues of right and wrong are discussed in staff meetings.

Swiss employees seem to be slightly less positive than the European average about the honesty of their organisation

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.)

80%

2018 **European Average 70%**

My organisation lives up to its stated policy of social responsibility

69%

2018 **European Average 63%**

Issues of right and wrong are discussed in staff meetings

58%

2018 **European Average 52%**

Percentage of respondents in Switzerland who *agree* (strongly agree or tend to agree).

Older employees (aged 55+) in Switzerland appear to be more likely to have a positive perception of how their organisation engages with internal stakeholders than mid-career employees aged 35-54. For example, they are more likely to say that issues of right and wrong are discussed in staff meetings (67% compared to 60% of younger employees aged 18-34 and 53% of mid-career employees).

Theme 2: Identifying ethical risks

The consequences that unethical behaviour can have on a business are well known. Hardly a week goes by without some reference to a major illegal act or ethical lapse in business practice. Organisations are encouraged to be constantly vigilant to protect themselves against this risk.

How can an organisation insure itself against the risk of losing its reputation and the trust of its customers and suppliers? There are no quick or easy answers to this question. But there are practical, preventative measures that any organisation can take to minimise the risk of corporate irresponsibility and its consequences.

There are practical, preventative measures that any organisation can take to minimise the risk of corporate irresponsibility and its consequences

Did you know?

Ethical risk

The concept of ethical risk refers to the negative consequences of unexpected ethical lapses within an organisation. Leon van Vuuren, Executive Director of The Ethics Institute (TEI), South Africa and author of the *Ethics Risk Handbook*, explains that *"ethics risk is a dimension of risk in the same way that legal, operational, IT, finance and HR risks are. As the non-management of ethics risks could give rise to as many, if not more, reputational and financial costs for an organisation as any other type of risk, it warrants equal attention. As such, ethics risk is a component of the broader organisational risk framework. The risk management processes of an organisation are also highly dependent on the ethical culture of the organisation to enable effective risk management."* [14]

[14] TEI (2016) *Ethics Risk Handbook*

This survey focuses on two 'red flags' that indicate an increased risk of ethical lapses: employees' awareness of misconduct in the workplace and potential pressure on employees to compromise their organisation's ethical standards.
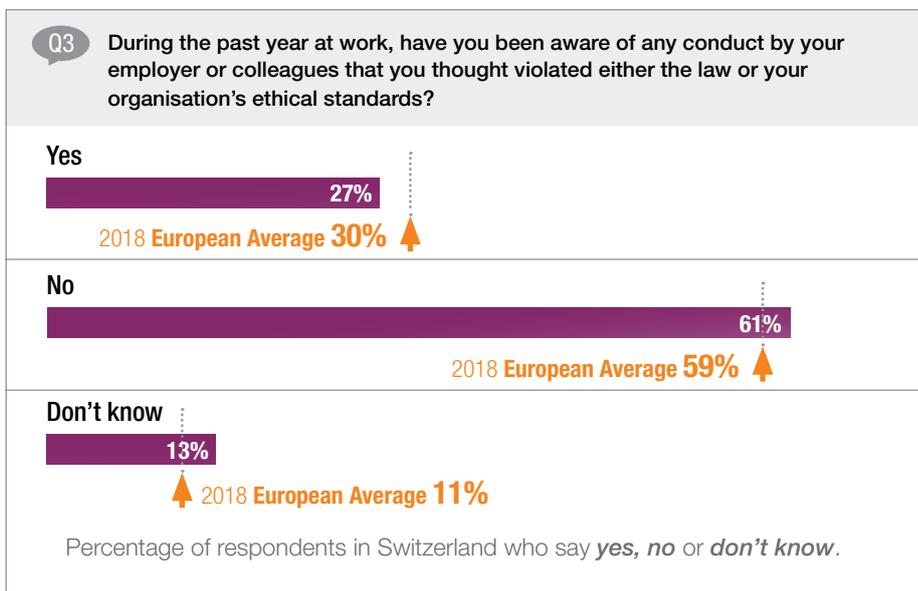
How common is unethical behaviour?

The effects of widespread misconduct in the workplace can be very serious. There is a direct negative impact that follows from the unethical act itself, affecting the people involved and, potentially, the performance of the organisation. However, there is also a second type of effect that shouldn't be underestimated: people learn by example and tend to replicate their peers' and managers' behaviour. If employees observe that unethical behaviour is commonplace in their organisation and tolerated, they will think that it is acceptable as part of their organisational culture.

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

Despite Swiss employees having a slightly more negative view of honesty in the workplace than the European average, they are also less likely than average to have been aware of instances of misconduct at work.

Figure 4 **Awareness of ethical violations**

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?

Yes
27%
2018 **European Average** 30%

No
61%
2018 **European Average** 59%

Don't know
13%
2018 **European Average** 11%

Percentage of respondents in Switzerland who say **yes, no** or **don't know**.

Respondents who were aware of instances of misconduct were then asked to specify further details, as illustrated in Figure 5. Half of Swiss employees who have been aware of misconduct have been aware of the misreporting of hours worked (50%), which is significantly higher than the European average (35%) and by far the most frequently mentioned type of misconduct reported by Swiss employees. Employees in Switzerland are also more likely than average to have been aware of bullying/harassment, abusive behaviour or discrimination (see Figure 5).

> "
> *Half of Swiss employees (50%) have been aware of misreporting hours worked, which is significantly higher than the European average (35%)*

Switzerland Chapter 1

Figure 5 Types of misconduct of which employees were aware

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

Misreporting hours worked — **50%** / 35%

People treated inappropriately/unethically — **44%** / 46%

Abusive behaviour — **33%** / 29%

Bullying/harassment — **32%** / 26%

Safety violations — **26%** / 30%

Stealing — **22%** / 19%

Improper hiring practices — **17%** / 23%

Fraud — **15%** / 14%

Discrimination (e.g. by race, gender, age) — **10%** / 5%

■ **Switzerland**   ■ European Average

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

Men are more likely than women to have been aware of safety violations (32% vs 19%) and fraud (20% vs 9%).

Younger employees aged 18-34 are potentially more likely to have been aware of fraud (23% compared to 13% of older employees aged 55+ and 9% of mid-career employees aged 35-54).

Employees in **large organisations** are more likely to have been aware of misconduct than those working in SMEs (33% vs 24%).

Did you know?

According to the *Swiss Human Relations Barometer* report in 2016, *"54% of employees feel emotional ties to their employer and only 16% are seriously considering resigning. Nonetheless, every fourth employee regards some promises made by the company they work for as having been broken and every third person is not fully satisfied with their relationship to their superior and with their co-workers. As a result, 60% of employees manifest cynical behaviour toward their employer by, e.g., making deprecatory comments."* [15]

Focus on...
Implications of being aware of misconduct

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

🛑 **A negative perception of how frequently honesty is practised at work.** 57% of employees who have been aware of misconduct say that honesty is practised always or frequently in their organisation's daily operations. This figure rises to 87% among those who have not been aware of misconduct.

continues >

[15] University of Zurich and Eidgenössische Technische Hochschule Zürich (2016) *Swiss Human Relations Barometer*

Focus on... *continued*

⓵ **A negative outlook on how the organisation engages with its stakeholders.** Employees who have been aware of misconduct are significantly more likely to disagree with each of the statements on stakeholder engagement than those who were not aware of misconduct: thinking that issues of right and wrong are not discussed in team meetings (31% vs 14%); saying that their organisation does not live up to its stated policy of social responsibility (23% vs 5%) and thinking that their organisation does not act responsibly in all its business dealings (15% vs 1%).

⓵ **Felt pressured to compromise ethics.** 34% of employees who have been aware of misconduct say that they felt pressured to compromise their current organisation's ethical standards, compared to 7% of those who have not been aware of misconduct.

⓵ **A negative perception of the ability of managers to promote ethics.** Employees who have been aware of misconduct are more likely than those who have not been aware of misconduct to say that their line manager rewards employees who get good results, even if they use practices that are ethically questionable (34% vs 21%). They are also more likely than those who have not been aware of misconduct to disagree that their line manager explains the importance of honesty and ethics at work (32% vs 12%); sets a good example of ethical business behaviour (29% vs 5%) and supports employees in following the organisation's standards of ethical behaviour (20% vs 7%).

Are employees pressured to compromise ethics?

Another important red flag that organisations need to consider is whether employees feel pressured to compromise their organisation's ethical standards. An organisation's formal commitment to ethical values can be easily undermined by a manager suggesting, explicitly or implicitly, that 'it doesn't matter how it gets done as long as it gets done' or convincing employees that 'everybody does it and it is part of the culture'.

In line with the European average, 16% of respondents in Switzerland say that they have felt some form of pressure to compromise their current organisation's standards of ethical conduct.

Figure 6 illustrates the sources of pressure to compromise ethical standards that have been experienced by the 16% of employees who have felt pressured. Time pressure is by far the most common pressure (35%). This is followed by pressure to follow their boss's orders (30%), which highlights the important role of managers in promoting and supporting an ethical culture. Employees in Switzerland seem to be more likely than the European average to have felt pressured to compromise ethics in order to save their job (20% vs 16% respectively) or because they had unrealistic objectives/deadlines to meet (29% vs 23%).

> " Time pressure is by far the most common pressure on Swiss employees to act unethically

Figure 6 **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 — **35%** / 34%

I was following my boss's orders — **30%** / 29%

I had to meet unrealistic business objectives/deadlines — **29%** / 23%

We were under-resourced — **27%** / 27%

I was trying to save my job — **20%** / 16%

I felt peer pressure to be a team player — **13%** / 16%

I was being asked to take shortcuts — **11%** / 17%

There were financial/budgeting pressures at the company — **11%** / 15%

My organisation has an unethical culture — **10%** / 11%

I wanted to help the organisation perform better (e.g. against competitors or spending cutbacks) — **8%** / 11%

■ **Switzerland**   ■ European Average

Percentage of respondents in Switzerland who have *felt types of pressure*.

Men are more likely than women to have felt pressured to compromise ethical standards (20% vs 12%). However, **women** who have felt pressured are more likely than men in the same position to say that they have felt pressured because they were under-resourced (39% vs 21%) and because they felt peer pressure to be a team player (27% vs 7%).

Younger employees aged 18-34 are potentially more likely to have felt pressured to compromise their organisation's ethical standards (19% compared to 18% of older employees aged 55+ and 12% of mid-career employees aged 35-54).

Employees in **large organisations** who have felt pressured are more likely than those in SMEs to report time pressure (53% vs 28%) and being asked to take shortcuts (18% vs 5%).

Did you know?

In 2017, the third *Good Work Barometer* commissioned by the Swiss Employers' Association Travail Suisse showed that *"41% of those [employees] polled felt they were often stressed or very stressed at work"* and *"almost 48% of those questioned said they had no or little influence on their work hours"*. [16]

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

This survey shows that employees in Switzerland 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 than those who have not felt pressured to say that four of the nine

continues >

Focus on... *continued*

workplace practices identified in Figure 1 are acceptable: taking pens and pencils from work (41% vs 29%); charging personal entertainment to expenses (15% vs 8%); minor fiddling/exaggeration of travel expenses (14% vs 5%) and pretending to be sick to take a day off (9% vs 4%).

⊗ **A negative perception of how frequently honesty is practised at work.** 63% of employees who have felt pressured to compromise ethics say that honesty is practised always or frequently in their organisation's daily operations, in comparison to 79% of those who have not felt pressured.

⊗ **A negative outlook on how the organisation engages with its stakeholders**. Employees who have felt pressured to compromise ethical standards are significantly more likely to disagree with each of the statements on stakeholder engagement than those who have not felt pressured: thinking that issues of right and wrong are not discussed in team meetings (25% vs 17%); saying that their organisation does not live up to its stated policy of social responsibility (24% vs 8%) and thinking that their organisation does not act responsibly in all its business dealings with stakeholders (19% vs 3%).

⊗ **Been aware of misconduct at work.** 58% of employees who have felt pressured to compromise ethical standards also reported that they have been aware of instances of misconduct during the past year at work, in comparison with 20% of those who have not felt pressured.

⊗ **A negative perception of the ability of managers to promote ethics.** 38% of employees who have felt pressured to compromise ethical standards agreed that their line manager rewards employees who get good results, even if they are achieved through ethically questionable practices, compared to 22% of those who have not felt pressured. They were also more likely than those who have not felt pressured to disagree that their line manager explains the importance of honesty and ethics at work (28% vs 16%); sets a good example of ethical business behaviour (28% vs 10%) and supports them in following the organisation's standards of ethical behaviour (23% vs 7%).

Theme 3: Supporting ethics at work

The third theme covered in this chapter focuses on the tools that organisations can put in place to promote and support ethics at work. The IBE describes the process of building an ethical culture in business as a journey that starts with an organisation's ethical values (see Figure 7). Values can be seen as the compass that guides behaviour. They are usually expressed through a code of ethics (or similar document) that provides guidance to employees on how the core values of the organisation are applied in practice. If values are the compass, a code is the map that guides employees in their daily decision-making.

> 66
> *Values can be seen as the compass that guides behaviour*

A comprehensive ethics programme provides the additional tools that organisations are advised to develop to make sure their core values are effectively embedded and implemented. These tools include appropriate communication campaigns; regular training; resources that encourage an open and supportive environment – including frameworks for making decisions and speaking up – and monitoring processes.

Figure 7 The IBE Business Ethics Framework

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 Switzerland, 20% of respondents say their organisation offers none of the building blocks of an ethics programme listed above (compared to a European average of 21%), while just 12% say their organisation offers all of them (compared to a European average of 19%).

Awareness of codes of ethics seems to be relatively common among Swiss employees. In Europe, Swiss employees (61%) are third after their Irish (74%) and UK (69%) colleagues in terms of being aware of their organisation having written standards of ethical business conduct. However, Swiss employees are significantly less aware of their organisation having the other three building blocks of a comprehensive ethics programme.

Figure 8 **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

2018 **European Average 59%**

61%

My organisation provides employees with a means of reporting misconduct confidentially

2018 **European Average 43%**

36%

My organisation provides training on standards of ethical conduct

2018 **European Average 39%**

30%

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

2018 **European Average 33%**

26%

Percentage of respondents in Switzerland who say **yes**.

> *20% of Swiss respondents say their organisation offers none of the building blocks of an ethics programme, while just 12% say their organisation offers all of them*

Men are more likely than women to be aware of their organisation providing a means to report misconduct (40% vs 31%).

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, 69% of employees in the public/third sector are aware of their organisation having written standards of ethical business conduct compared to 55% in the private sector.

Focus on…
The impact of providing formal support for ethics in the workplace

This survey shows that employees in Switzerland 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.** 85% of employees in organisations with a comprehensive ethics programme say that honesty is practised always or frequently in their organisation's daily operations, in comparison with 72% of employees in organisations without an ethics programme.

✅ **A positive outlook on how the organisation engages with its stakeholders.** Employees in organisations with a comprehensive ethics programme are significantly more likely to agree with each of the statements on stakeholder engagement than those in organisations without an ethics programme: saying that issues of right and wrong are discussed in team meetings (87% vs 37%); reporting that their organisation lives up to its stated policy of social responsibility (89% vs 55%) and agreeing that their organisation acts responsibly in all its business dealings with stakeholders (92% vs 69%).

✅ **Not been aware of misconduct at work.** 20% of employees in organisations with a comprehensive ethics programme have been aware of instances of misconduct during the past year at work, in comparison with 32% in organisations with no ethics programme.

❓ **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 with a comprehensive ethics programme are more likely than those in organisations without an ethics programme to agree that their line manager explains the importance of honesty and ethics at work (90% vs 35%); sets a good example of ethical business behaviour (88% vs 57%) and supports employees in following the organisation's standards of ethical behaviour (88% vs 45%). However, 33% of employees in organisations with a comprehensive ethics programme agreed that their line manager rewards employees who get good results, even if they are achieved through ethically questionable practices. This is compared to only 23% of those in organisations that provide none of the building blocks of an ethics programme.
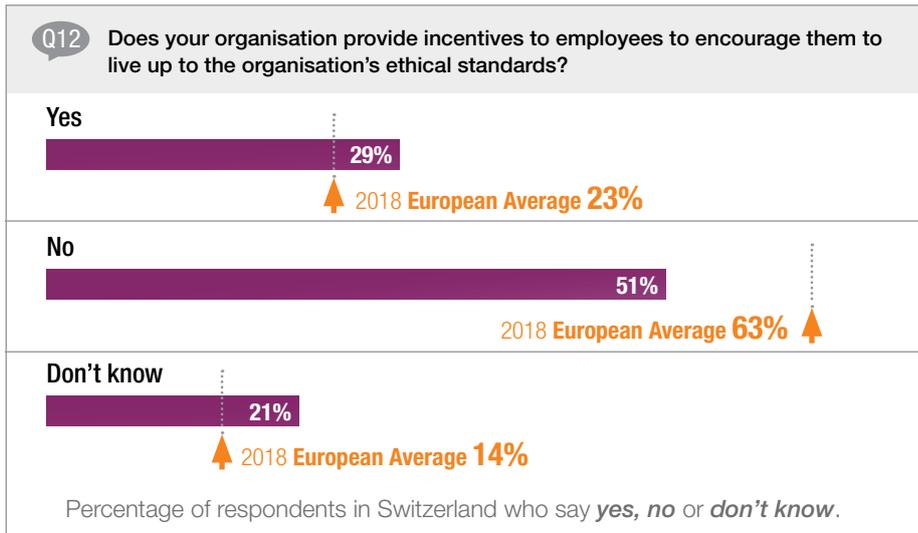
Employees in **large organisations** are more likely to be aware of each of the four building blocks of an ethics programme than those in SMEs. For example, 41% are aware of ethics training in comparison with 24% of those in SMEs.

How do employers incentivise ethical behaviour?

In order to enhance the effectiveness of an ethics programme, it is important that organisations support the building blocks presented in the section above with other types of incentive aimed at ensuring that ethics is embedded in every aspect of an employee's daily work. Respondents were asked whether their organisation provides incentives to employees to encourage them to live up to the organisation's ethical standards.
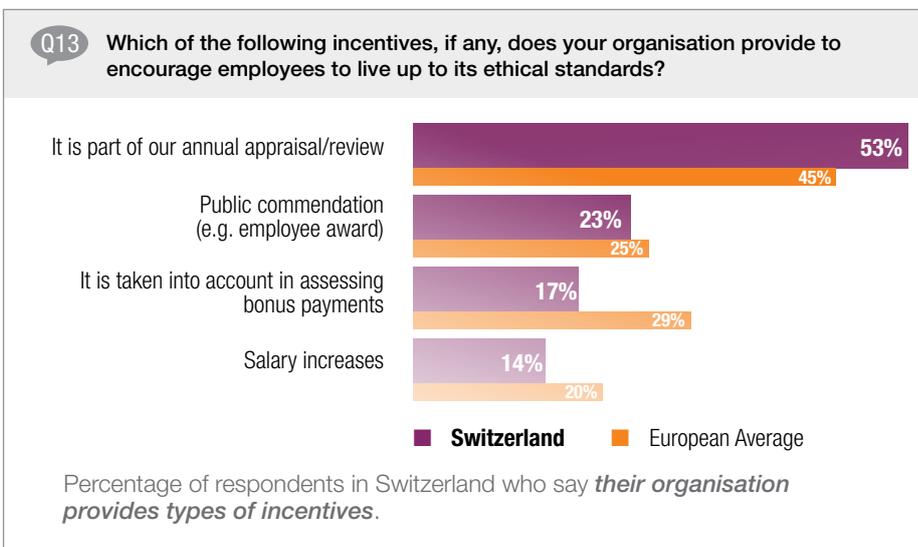
Employees in Switzerland are more likely than the European average to be aware of their organisation offering incentives to live up to ethical standards. Together with their German colleagues, Swiss employees are the most likely in Europe to say that their organisation provides these incentives. However, Switzerland also has the highest percentage of respondents who say they do not know whether such incentives are offered (29%).

Figure 9 Employee awareness of incentives to live up to ethical standards

> **Q12** Does your organisation provide incentives to employees to encourage them to live up to the organisation's ethical standards?

Yes
29%
2018 **European Average 23%**

No
51%
2018 **European Average 63%**

Don't know
21%
2018 **European Average 14%**

Percentage of respondents in Switzerland who say *yes, no* or *don't know*.

> *Employees in Switzerland seem to be more aware than the European average of their organisation offering incentives to live up to ethical standards*

Respondents who indicated that their organisation offers incentives to encourage ethical behaviour were also asked about the type of incentives offered (see Figure 10). More than half of this group say that ethics is part of their annual appraisal/review, making this the most common incentive among Swiss employees.

Figure 10 Prominence of types of incentives

> **Q13** Which of the following incentives, if any, does your organisation provide to encourage employees to live up to its ethical standards?

It is part of our annual appraisal/review — 53% / 45%

Public commendation (e.g. employee award) — 23% / 25%

It is taken into account in assessing bonus payments — 17% / 29%

Salary increases — 14% / 20%

■ **Switzerland** ■ European Average

Percentage of respondents in Switzerland who say *their organisation provides types of incentives*.

Older employees aged 55+ are more likely to be aware of incentives (33%) than their mid-career colleagues aged 35-54 (25%). **Younger employees** aged 18-34 are more likely to say that ethics is taken into account in salary increases (22% compared to 10% of mid-career and 8% of older employees).

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 Switzerland who are aware of their organisation providing incentives are more likely to have:

✅ **A positive perception of how frequently honesty is practised at work.** Employees in organisations that provide incentives are more likely to say that honesty is practised always or frequently in their organisation's daily operations than those in organisations that do not provide such incentives (80% vs 68%).

✅ **A positive outlook on how the organisation engages with its stakeholders.** Employees in organisations with incentives are significantly more likely to agree with each of the statements on stakeholder engagement than those in organisations without incentives: thinking that issues of right and wrong are discussed in team meetings (83% vs 47%); saying that their organisation lives up to its stated policy of social responsibility (86% vs 60%) and agreeing that their organisation acts responsibly in all its business dealings (92% vs 74%).

✅ **Spoken up about misconduct.** Employees in organisations that provide incentives who have been aware of misconduct during the past year at work are more likely to have spoken than those in organisations that do not provide these incentives (71% vs 54%).

Of those who have been aware of misconduct and spoke up, 68% of those in organisations with incentives are satisfied with the outcome, in comparison with 24% of those in organisations without incentives.

❓ **A more 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 explains the importance of honesty and ethics at work (78% vs 44%); sets a good example of ethical business behaviour (80% vs 60%) and supports employees in following the organisation's standards of ethical behaviour (81% vs 52%). However, 39% of employees in organisations that provide incentives agree that their line manager rewards employees who get good results even if they are achieved through ethically questionable practices, compared to only 20% of those in organisations that do not provide these incentives.

🛑 **Lenient attitudes to some questionable workplace practices.** Employees in organisations that provide incentives are more likely to think that a wider range of the ethically questionable workplace practices identified in Figure 1 are acceptable.

Focus on... *continued*

This rather counterintuitive evidence shows that it is important for organisations to monitor the practical impact of the incentives provided and 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.

When it comes to embedding codes in Switzerland, according to the 2015 KPMG *Swiss Codes of Conduct* report:

- More than 80% of the companies have an ethics hotline/whistleblower mechanism

- More than 80% of the companies have policies to enforce their codes and to investigate violations

- Less than half of the companies monitor compliance with the code in their business units or have external reporting on compliance. [17]

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[17] KPMG (2015) *Op cit*

Spotlight Issues

Issue 1: Speaking up

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

IBE research shows that most global organisations provide mechanisms to support those who wish to speak up, raise concerns or ask questions when unsure about what course of action to take.[18] Speak Up arrangements are an element of good governance and can act as an early warning system for potential risks.

> ❝ *Over half of Swiss employees (58%) who have been aware of misconduct spoke up, while 40% of them did not*

Did you know?
Speaking up or whistleblowing?

The terms 'whistleblowing' or 'Speak Up' are often used interchangeably and can cover disclosure of a wide range of legal and ethical issues.

The term whistleblowing originates from when a pit whistle was blown at times of an accident in a mine. […] It implies letting everyone know there is a problem by creating a noise or disturbance because something bad has happened. […] In recent years, the connotation of whistleblowing has come to mean disclosing concerns outside an organisation, usually by informing the media or a regulator.

The IBE differentiates between whistleblowing and speaking up. 'Blowing the whistle' externally may be considered a last resort, occurring when concerns have not been listened to or acted upon internally. Speaking up implies raising a concern internally so that it can remedied, hopefully before it becomes a bigger problem.

The IBE prefers the term Speak Up as it has more positive and constructive connotations for organisations wishing to encourage employees to raise concerns.[19]

According to the HTW Chur and Integrity Line's *Whistleblowing Report 2018*, only 11% of small and medium-sized enterprises (SMEs) in Switzerland have whistleblowing systems. This is especially concerning as SMEs (firms with under 250 employees) make up 99.8% of all companies in Switzerland.[20]

According to SWI Swissinfo, since June 2017, whistleblowers - both federal employees or private individuals - can report suspected irregularities on a dedicated online platform external link anonymously, securely and without furnishing proof.

Over the past six years, the anonymous tips received have numbered in the dozens, ranging from a low of 61 in 2011 to a high of 87 in 2012. There were 70 in 2013, 82 in 2014, 64 in 2015 and 78 in 2016. A total of 122 alerts were received by the federal authorities in 2017. The increase has been clearly attributed to the introduction of an online platform for reporting irregularities and corruption.[21]

> ❝ *Employees in Switzerland are the most likely employees in all European countries surveyed to say that they did not raise their concerns because they did not know who to contact*

[18] IBE (2017) *Corporate Ethics Policies and Programmes: 2016 UK and Continental Europe survey*

[19] IBE (2017) *Encouraging a Speak Up Culture*

[20] HTW Chur and Integrity Line (2018) *Whistleblowing Report 2018: reporting points in Swiss companies*
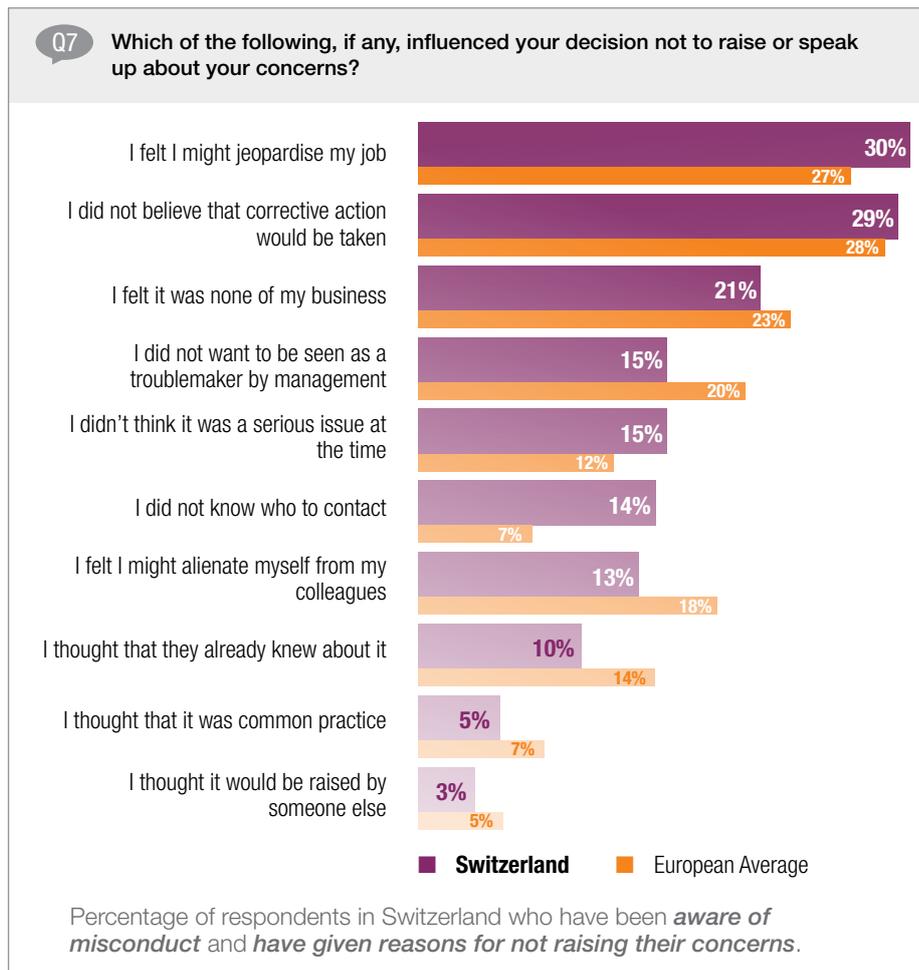
[21] SWI Swissinfo.ch (24 Feb 2018) *Swiss whistleblower alerts increase by a third*

The 27% of respondents in Switzerland who have been aware of misconduct during the past year at work (see Figure 4) were asked whether they raised – or decided to speak up about – any of their concerns directly to management, to another appropriate person or through any other mechanism. Over half of Swiss employees (58%) who have been aware of misconduct spoke up, while 40% of them did not.

The 40% of respondents who have been aware of misconduct 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 11).

The most prominent reason given by employees in Switzerland for not raising their concerns despite having been aware of misconduct was they felt they might jeopardise their job (30%), closely followed by not believing that corrective action would be taken (29%). It is worth noting that employees in Switzerland are the most likely employees in all European countries surveyed to say that they did not raise their concerns because they did not know who to contact. This mirrors the limited awareness of Speak Up mechanisms within Swiss organisations, as highlighted in Figure 8.

Figure 11 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?

	Switzerland	European Average
I felt I might jeopardise my job	30%	27%
I did not believe that corrective action would be taken	29%	28%
I felt it was none of my business	21%	23%
I did not want to be seen as a troublemaker by management	15%	20%
I didn't think it was a serious issue at the time	15%	12%
I did not know who to contact	14%	7%
I felt I might alienate myself from my colleagues	13%	18%
I thought that they already knew about it	10%	14%
I thought that it was common practice	5%	7%
I thought it would be raised by someone else	3%	5%

■ **Switzerland** ■ European Average

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

Younger employees aged 18-34 who have been aware of misconduct are potentially less likely than older colleagues aged 55+ to speak up about ethical misconduct. 51% say they did not speak up, compared to 24% of older employees aged 55+ (and 36% of mid-career employees aged 35-54).

Younger employees who have been aware of misconduct are more likely to say that they did not raise their concerns because they did not want to jeopardise their job (45%), compared to 9% of mid-career respondents. Similarly, 21% of younger employees say they did not know who to contact in comparison with just 3% of mid-career colleagues. 24% of younger employees say that they did not raise their concerns because they did not want to be seen as a troublemaker by management, compared to 6% of mid-career employees.

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.

Employees in Switzerland who have been aware of misconduct are less likely than the European average to say either that they did not raise their concerns because they did not want to be seen as a troublemaker by management, or that they felt they might alienate themselves from their colleagues. This suggests that the stigma often felt by those who speak up and the peer pressure to fit in might be less prominent in Switzerland than in other European countries surveyed.

> *The stigma often felt by those who speak up and the peer pressure to fit in might be less prominent in Switzerland than in other European countries surveyed*

Ethics in practice

What do organisations say?

"Our Integrity Reporting System and our 'Tell Us' system allow us to address complaints from employees and external stakeholders.

1,725 complaints from employees and 613 complaints from suppliers and other third parties were investigated and remedial action taken this year. Markets were supported with investigative guidelines and best practices.

Following an assessment of all Markets' compliance programs all Markets worked on closing gaps to ensure a consistent approach across the Group."

Nestlé [22]

"In 2017, we updated various internal policies that raise employee awareness about money laundering and PEPs. In the case of suspected breaches of legal or regulatory requirements, internal guidelines or ethical standards, a whistleblowing system is in place to allow employees to report these incidents anonymously. No such reports were made in 2017."
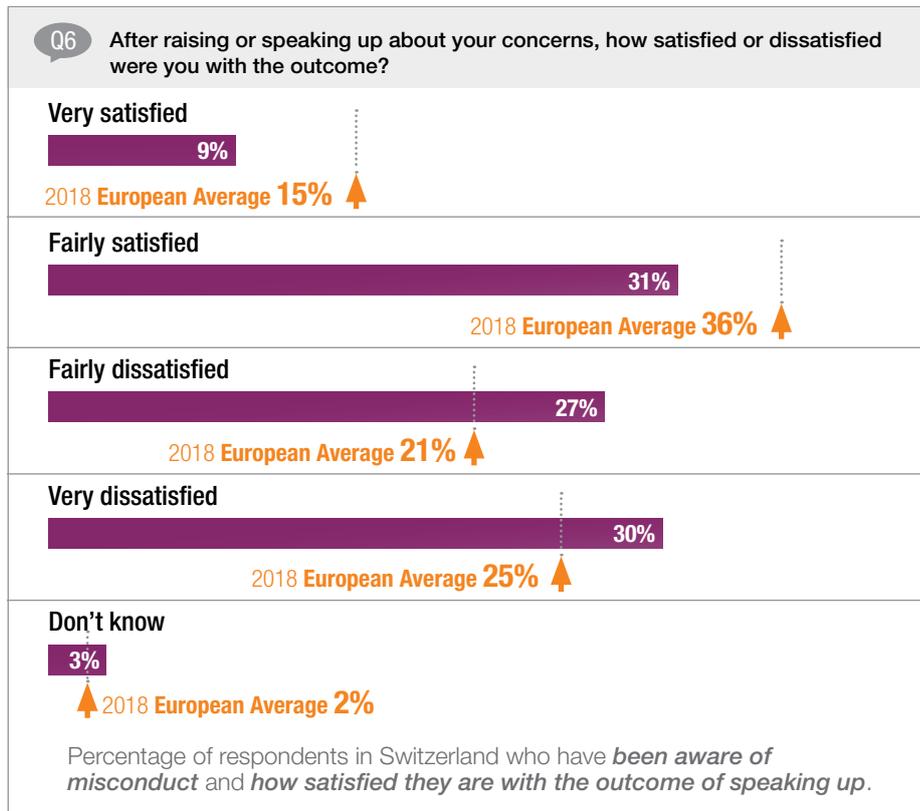
Vontobel [23]

To understand whether employees' concerns about speaking up are justified, respondents who had raised concerns were asked whether they were satisfied with the outcome of doing so. Results show that just two fifths of Swiss respondents who reported their concerns are very or fairly satisfied with the outcome, which is significantly lower than the European average of 51%. This is also reflected in the percentage of employees who say they are very dissatisfied with the outcome of speaking up, which is 30% in Switzerland in comparison with a European average of 25%.

[22] Nestlé (2017) *Annual Report 2017*
[23] Vontobel (2017) *Annual Report 2017*

Figure 12 Employee satisfaction with the outcome of speaking up

Q6 After raising or speaking up about your concerns, how satisfied or dissatisfied were you with the outcome?

Very satisfied
9%
2018 **European Average** **15%**

Fairly satisfied
31%
2018 **European Average** **36%**

Fairly dissatisfied
27%
2018 **European Average** **21%**

Very dissatisfied
30%
2018 **European Average** **25%**

Don't know
3%
2018 **European Average** **2%**

Percentage of respondents in Switzerland who have **been aware of misconduct** and **how satisfied they are with the outcome of speaking up**.

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. Separate research conducted in the UK by the IBE in 2017 shows that only 16 FTSE 100 companies include this type of information in their sustainability or corporate responsibility report. Three of these 16 companies stated that no material breaches of the code of conduct were reported during the previous year, which might raise questions on the ability of the organisation to recognise breaches and act on them.

This survey shows that only a small majority of employees in Switzerland (51%) believe that their organisation disciplines employees who violate their organisation's ethical standards. This is marginally lower than the European average (53%).

Issue 2: Ethical management

The attitudes and behaviours of managers in the workplace is a topic of significant focus and concern. The term 'manager' applies to different groups and encompasses diverse roles in different organisations. However, the role

> *Only 51% of employees in Switzerland believe that their organisation disciplines employees who violate their organisation's ethical standards*

that managers play in promoting ethics and embedding the organisation's core values in the corporate culture is a crucial one. Their role is particularly critical because managers are generally positioned between those on the front line and senior leadership. While this means they can help bridge the gap between the top and the bottom of the organisation, this position is not without its risks.

Managers are often under pressure from both those above and below them, and this can encourage them to 'cut ethical corners' to achieve results. The nature of their role is such that they are often looked at as role models by their team, which means they can significantly influence perceptions and behaviour in their organisation.
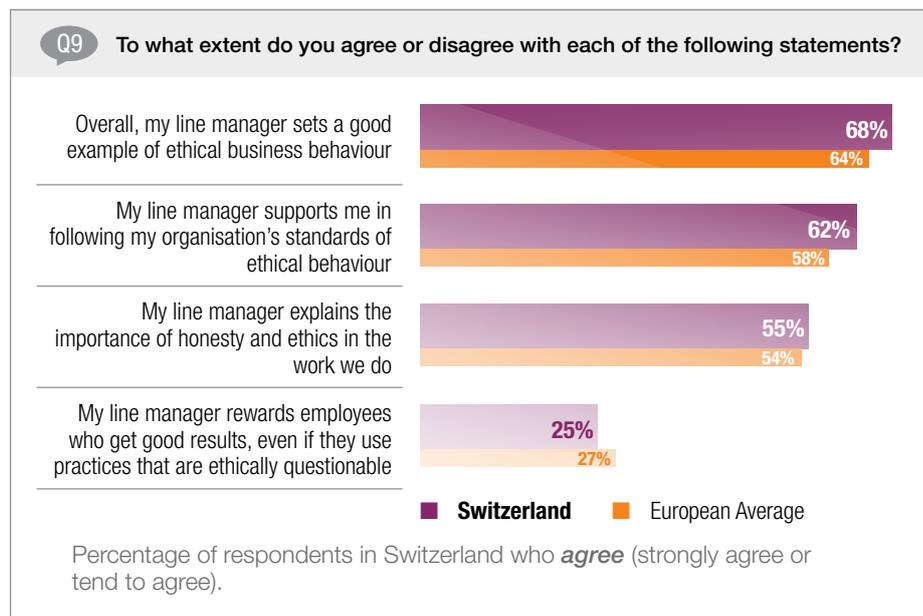
This survey report analyses the attitudes of managers to business ethics through two different lenses: managers' first-hand views and the perceptions that employees have of their managers.

This survey uses four indicators to gauge employee perception of managers' attitudes towards ethics. These are whether managers are seen to set a good example of ethical business behaviour; support employees in following their organisation's standards of ethical behaviour; explain the importance of honesty and ethics at work and, conversely, reward employees who get good results, even if they use practices that are ethically questionable.

Overall, employees in Switzerland are slightly more likely to be positive than the European average about the behaviour of their line manager. However, a quarter of employees (25%) believe that their line manager rewards employees who get good results, even if they use practices that are ethically questionable (see Figure 13). In other words, they appear to be more likely to prioritise 'what' is achieved over the 'how' it is done.

> *Managers are often under pressure from both those above and below them, and this can encourage them to 'cut ethical corners' to achieve results*

Men are more likely than women to think that their line manager rewards good results, even if they use practices that are ethically questionable (28% vs 20%).

Younger employees aged 18-34 are more likely to say that their line manager rewards good results, even if they use practices that are ethically questionable (33%) than older employees aged 55+ (22%) and mid-career employees aged 35-54 (20%).

Figure 13 Perception of management behaviour

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

Overall, my line manager sets a good example of ethical business behaviour — **68%** / 64%

My line manager supports me in following my organisation's standards of ethical behaviour — **62%** / 58%

My line manager explains the importance of honesty and ethics in the work we do — **55%** / 54%

My line manager rewards employees who get good results, even if they use practices that are ethically questionable — **25%** / 27%

■ **Switzerland**   ■ European Average

Percentage of respondents in Switzerland who *agree* (strongly agree or tend to agree).

Focus on...
The impact of providing a work environment that is regarded as supportive to ethics [24]

This survey shows that employees in Switzerland 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 (86%) than those in unsupportive organisations (46%).

✅ **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 (56%).

✅ **Spoken up about misconduct at work.** Employees who have been aware of misconduct during the past year at work in the most supportive organisations are more likely to have spoken up about their concerns (77%) than those in a similar position in unsupportive organisations (52%).

Of those who have been aware of misconduct and have spoken up, 81% in supportive organisations are satisfied with the outcome of doing so. Just 6% of employees in a similar position in organisations that are perceived to be unsupportive say they are satisfied with the result of speaking up.

✅ **Not felt pressured to compromise ethics.** Employees in supportive organisations are more likely to say that they have not felt pressured to compromise their current organisation's ethical standards (84% compared to 58% of employees in unsupportive organisations).

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 24% of respondents in Switzerland who identified themselves as managers were asked to give their opinion on a series of statements that describe examples of 'petty fiddling' *(manipulations mineures de chiffres/chiffres falsifies; kleinere Schwindeleien/wenig Schwindelei; abusi minori)* that can occur in an organisation. Figure 14 illustrates the results. 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.

> *16% of managers say they are not going to worry about a bit of petty fiddling as long as they meet financial targets and 13% think it is acceptable to manipulate accounting figures as long as no money is stolen*

[24] 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.

Ethics in practice

What do organisations say?

"Managers play an important part in leading by example where compliance with the Code of Conduct and Rules of Conduct is concerned. They are responsible for ensuring that their internal and external employees are familiar with and abide by the Code of Conduct, the applicable provisions in law, and the internal regulations, directives and guidelines. They create a working environment which encourages open discussion about conduct and conflict, and pay particular attention to signs of unethical or unlawful behaviour, especially where competitive pressure is high. Staff members' compliance with this Code forms part of their annual performance appraisal with their line manager."
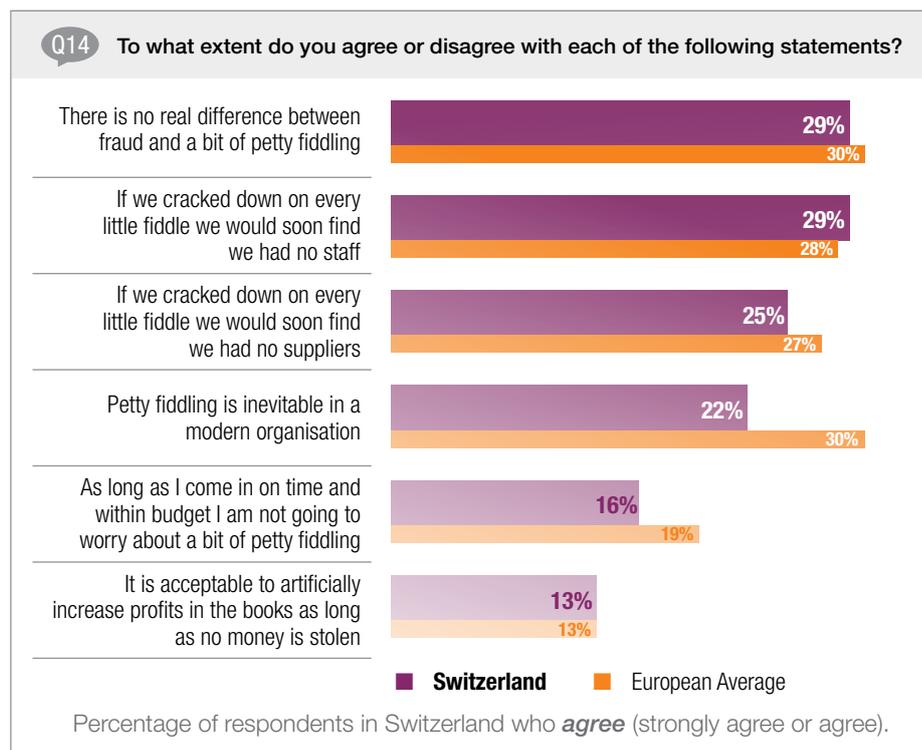
CSS Group [25]

"Every manager is responsible for ensuring that the subordinate employees know and understand the code of business conduct and monitor its application."

BCV [26]

More than a quarter of managers in Switzerland agree that a hard approach to suppress 'petty fiddling' would have a negative impact on retention of staff and suppliers. Worryingly, 16% of managers agree with the statement that they are not going to worry about a bit of petty fiddling as long as they meet financial targets (i.e. they come in on time and within budget). In addition, 13% of respondents think it is acceptable to manipulate accounting figures as long as no money is stolen.

Younger managers aged 18-34 are more likely to agree with some of the statements on petty fiddling than managers in the other age groups surveyed. In particular, 28% of them say that they are not going to worry about a bit of petty fiddling as long as they come in on time and within budget, compared to 15% of mid-career employees aged 35-54 and 11% of older managers aged 55+.

Managers in **SMEs** are more likely to say that there is no difference between fraud and a bit of petty fiddling than those in large organisations (34% vs 15%).

Figure 14 Managers' attitudes to petty fiddling

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

There is no real difference between fraud and a bit of petty fiddling — Switzerland 29%, European Average 30%

If we cracked down on every little fiddle we would soon find we had no staff — Switzerland 29%, European Average 28%

If we cracked down on every little fiddle we would soon find we had no suppliers — Switzerland 25%, European Average 27%

Petty fiddling is inevitable in a modern organisation — Switzerland 22%, European Average 30%

As long as I come in on time and within budget I am not going to worry about a bit of petty fiddling — Switzerland 16%, European Average 19%

It is acceptable to artificially increase profits in the books as long as no money is stolen — Switzerland 13%, European Average 13%

■ **Switzerland**   ■ European Average

Percentage of respondents in Switzerland who *agree* (strongly agree or agree).

[25] CSS Group (2016) *Code of Conduct for the CSS Group*

[26] BCV (2014) *Code de Conduite Professionnelle du Groupe BCV*

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

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

✅ **A positive perception of how frequently honesty is practised at work.** Managers are more likely than non-managers to say that honesty is practised always or frequently in their organisation's daily operations (82% vs 73%) and that their line manager explains the importance of honesty and ethics in the work they do (64% vs 52%).

✅ **A positive outlook on how the organisation engages with stakeholders.** Managers are more likely than non-managers to agree that their organisation lives up to its stated policy of social responsibility (75% vs 67%).

🛑 **Felt pressured to compromise ethics.** Managers are more likely than non-managers to say that they have felt pressured to compromise their current organisation's ethical standards (23% vs 14%).

> *Managers are more likely than non-managers to say that they have felt pressured to compromise ethics*

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.

Results show that employees in Switzerland have some of the most positive views of all European respondents on the indicators of stakeholder engagement. Swiss employees are amongst the most likely to say that their organisation acts responsibly in all its business dealings (80%); lives up to its stated policy of social responsibility (69%) and that issues of right and wrong are discussed in staff meetings (58%). At the same time, the survey also sheds light on several challenges that organisations might want to consider.

Why are employees not speaking up about their ethical concerns?
The findings of this survey suggest that too few employees who have been aware of misconduct at work raise their concerns. Only 58% of those who have been aware of misconduct said that they did so (this is above the European average of 54% but lower than the UK figure of 67%).

Providing a comprehensive ethics programme is an important way to encourage employees to speak up when they see something that might violate their organisation's ethical standards. Only 12% of the respondents in Switzerland say that their organisation provides all four building blocks of an ethics programme, compared to a European average of 19%. In addition, 14% of those who have been aware of misconduct say that they did not raise their concerns because they did not know who to contact. It is therefore particularly worrying that only 36% of Swiss respondents say that their organisation has a means to report misconduct and even fewer (26%) say that their organisation has a helpline for employees to ask for advice or information. Providing support for employees to do the right thing is vital in establishing a culture in which employees feel confident to raise their concerns.

Do managers set a good example of ethical business behaviour?
Managers have a responsibility to lead by example. Compared to the European average, managers in Switzerland seem to perform slightly better in terms of setting a good example for ethics and supporting employees in following their organisation's standards of ethical behaviour (see Figure 13).

However, managers could do more to promote ethical behaviour at work. Younger managers aged 18-34, in particular, seem to have a more lenient attitude towards ethically questionable workplace practices such as artificially increasing the profits in the books as long as no money is stolen (34% of them find this acceptable, compared to 9% of mid-career managers aged 35-54 and 8% of older managers aged 55+).

> *Providing support for employees to do the right thing is vital in establishing a culture in which employees feel confident to raise their concerns*

It is also worrying that a quarter (25%) of Swiss employees say that their manager rewards good results even if the practices used to achieve this are ethically questionable. To address this situation, organisations may want to consider providing tailored ethics training for managers.

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 has a positive impact on Swiss employees' perception of how frequently honesty is practised at work and employees in organisations with incentives are more likely to have spoken up about misconduct.

However, the survey shows that the presence of incentive schemes is also correlated to some less ethical attitudes or behaviours. For example, employees in organisations that incentivise ethical behaviour seem to be more lenient towards some ethically questionable workplace practices than those in organisations without incentives, for example charging personal entertainment to expenses (14% vs 8%) and pretending to be sick to take the day off (9% vs 4%). They are also more likely than those in organisations without incentives to say that their line manager rewards good results even if the practices used are ethically questionable (39% vs 20%).

This suggests that incentive schemes are not universally successful in shifting attitudes and behaviours, or perhaps even accidentally reinforce some less ethical organisational cultures. 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 and the Stewardship Institute. ComRes is a member of the British Polling Council and abides by its rules.

The Institute of Business Ethics (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 Swiss findings and provides comparison with European averages for 2018. The averages throughout the report reflect the percentage of all 6,119 respondents in France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and the UK after each country's data was weighted to reflect the workforce by gender, age and region.

The survey was completed by a representative sample of about 750 working adults in each country aged 18+, including 756 working adults in Switzerland. The survey was undertaken between 5th and 25th February 2018.

COUNTRY	Total number of respondents	GENDER			AGE				SECTOR		MANAGERS		SIZE [27]	
		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
Switzerland	756	393	356	7	255	350	150	1	307	449	178	578	455	261

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

[27] 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 = 756 employees in Switzerland.
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 = 756 employees in Switzerland.
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 = 756 employees in Switzerland.
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 = 202 employees in Switzerland 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 = 202 employees in Switzerland 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 = 118 employees in Switzerland 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 = 80 employees in Switzerland 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 = 756 employees in Switzerland.
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 = 756 employees in Switzerland.
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 = 756 employees in Switzerland.
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 = 120 employees in Switzerland 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 = 756 employees in Switzerland.
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 = 217 employees in Switzerland 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 = 178 managers in Switzerland.
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:

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.
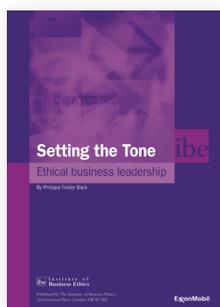
Culture Indicators: understanding corporate behaviour
Peter Montagnon

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 who 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: ethical business leadership
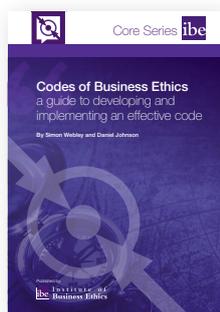**Philippa Foster Back CBE**

Leadership is essential to business ethics, as ethical qualities are essential to good leadership. This report demonstrates that business leaders should consider ethical competence as a core part of their business acumen and provides guidance to those wishing to build a culture of trust and accountability and strengthen the ethical aspirations of their organisation. It includes interviews with business leaders offering practical insights into ethical leadership issues.

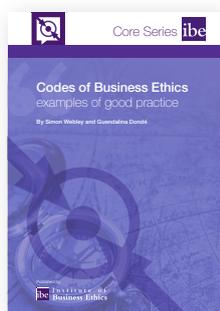## Good Practice Guide: encouraging a speak up culture
Katherine Bradshaw

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
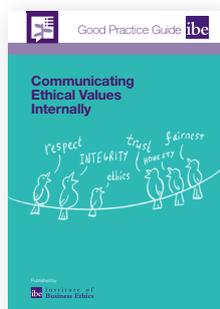**Simon Webley and Daniel Johnson**

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
Switzerland

Employees' views are a key indicator of the ethical temperature in Swiss 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 report presents the IBE and the Stewardship Institute survey findings, which give a snapshot of the business ethics landscape in Switzerland 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 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 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.