2000 Organizational Integrity Survey

A survey conducted by KPMG, 2000

Background

- Questionnaires were fielded between October 15 and November 15, 1999.
- A total of 2,390 completed questionnaires were returned for a response rate of 78%.

Survey Highlights Percentage of employees who observed illegal or/and unethical conduct on the job. By industry:

- All industries - 76%
- Consumer markets - 81%
- Industrial markets - 78%
- Health care & Public Sector - 74%
- Information, communication & entertainment - 73%
- Financial Services - 68%

Percentage of employees who observed misconduct. By industry:

- All industries - 49%
- Consumer markets - 44%
- Industrial markets - 44%
- Health care & Public Sector - 57%
- Information, communication & entertainment - 45%
- Financial Services - 48%

Percentage of employees who believe that misconduct is caused by:

- Cynicism/low morale/indifference - 73%
- Pressure to meet schedules - 70%
- Pressure to hit unrealistic earnings goals - 65%
- Desire to succeed or advance careers - 56%
- Inadequate training - 50%
- Desire to steal from or harm the company - 22%

Percentage of employees believing that organizational integrity would be improved by:

- Incentives and rewards for adhering to company standards - 51%
- Stronger commitment from top management - 50%
- More time and resources to perform their jobs - 50%
- Stronger support for raising questions and concerns internally - 48%
- Increased communication and training - 46%
- More realistic earnings and growth goals - 38%
• Increased oversight by the board of directors - 37%
• Better policies and procedures - 36%
• Tighter auditing and controls - 28%

Percentage of employees who would recommend their company to recruits based on how they view management in dealing with improper conduct in the workplace.

• On average, 66% of the employees surveyed would recommend their companies to recruits.
• Among those who believe that management would authorize improper ethical conduct, only 21% would recommend their companies to recruits.
• Among those who believe management would not authorize improper conduct, a full 81% would recommend their companies.

Percentage of employees who believe that their customers would recommend their companies to others based on how employees view management in dealing with improper conduct in the workplace.

• On average, 69% of the employees surveyed believe that their customers would recommend their companies to others.
• Among those who do not believe management would uphold company standards, only 40% expect customer recommendations.
• Among those who do believe management would uphold company standards, a full 80% expect customer recommendations.

Summary conclusions:

• Employees are observing a high level of illegal and unethical conduct on the job.
• Misconduct observed by employees is of a serious nature.
• Companies are sending the wrong messages to employees on how to meet business goals.
• Improving organizational integrity requires comprehensive solutions.
• Management’s commitment to business integrity enhances its ability to attract and retain good employees.