National Business Ethics Survey (NBES)
How Employees View Ethics in their Organizations Ethics Resource Center, (2003)

Background

Objectives

- To determine how employees distinguish right from wrong behavior in their work, the availability of resources to aid in making appropriate decisions, and the general practice of values like honesty and respect.
- To determine trends and changes from the previous survey conducted in 2000.

Method

- Telephone interviews were conducted of 1,503 randomly selected US workers throughout the contiguous, lower 48 states.
- Interviews were completed between January and March 2003.

Key Findings

Perceptions of ethics are generally positive in comparison with 2000.

- Top management keeps promises and commitments
  - 2003: 82%; 2000: 77%
- Observed misconduct
  - 2003: 22%; 2000: 31%
- Feel pressure to compromise ethics standards
  - 2003: 10%; 2000: 13%
- Employee reporting of misconduct
  - 2003: 65%; 2000: 57%

Vulnerabilities and challenges remain in 2003.

- Types of misconduct most frequently observed
  - Abusive or intimidating behavior: 21%
  - Misreporting of hours worked: 20%
  - Lying: 19%
  - Withholding needed information: 18%
- Feel pressure to compromise ethics standards
  - Managers under age 30 with less than 3 years tenure: 21%
  - Other managers: 10%
- Reporting of observed misconduct
  - Non-management employees who do not report: 44%
  - Reasons for not reporting:
    - Belief that no corrective action will be taken
Fear that report will not be kept confidential
  o Employees who are satisfied with response to report: 58%

Ethics programs make a difference.
  - Four key elements
    o Written standards of conduct, ethics training, ethics advice lines/offices, and systems for anonymous reporting of misconduct
    o Employees in organizations that have all four elements are most likely to report misconduct: 78%
    o Employees in organizations that have fewer elements are less likely to report
    o Written standards only: 52%; no ethics program: 39%

Top management sets an example.
  - Organizations in which employees believe that top management acts ethically
    o 15% of employees in those organizations observe misconduct by others
  - Organizations in which employees believe that top management talks about ethics but does not act ethically
    o 56% of employees in those organizations observe misconduct by others

Size of organization is important.
  - Small organizations (less than 500 employees) are less likely to have key elements of ethics programs in place than large ones
  - Ethics training is provided
    o Small organizations: 41%; large organizations: 67%
  - Mechanisms to report misconduct anonymously are available
    o Small organizations: 47%; large organizations: 77%

Conclusion

As a snapshot of business ethics in 2003, the findings and trends are positive and hopeful. Where leaders, supervisors, and coworkers are talking about ethics and setting the right example, employees have taken notice. Where systems are in place to help make ethics a priority, employees are responding. Where some corporations have recently failed due to ethical violations, their negative examples may help others to make better choices.

Further information about this study can be found at: