The State of Ethics & Compliance in the Workplace
Global Business Ethics Survey 2018, EIC
March 2018

OBJECTIVE:

EIC's 2018 Global Business Ethics Survey provides an overview of the current strength of companies' ethical cultures, which significantly influence workplace conduct.

METHODOLOGY:

Over the years, ECI has polled and reported findings on more than 39,000 employees through our national ethics survey research. In 2017, we collected 5,101 responses. Participants in the 2017 GBES were 18 years of age or older, currently employed at least 20 hours per week for their primary employer, and working for a company that employs at least two people. They were randomly selected to attain a representative national distribution. The survey opened November 20, 2017, and closed December 18, 2017.

KEY FINDINGS:

- In 2013, 51% of employees said that within the last 12 months they observed conduct that either violated organizational standards or the law. In 2017, 47% reported observing misconduct; an 8% decrease and close to the historic low.
- In 2017, 16% of employees experienced pressure to compromise standards; a 23% increase over the last measurement. This is part of an ongoing trend, as pressure has increased substantially in the last decade.
- Employees in weak cultures are: three times more likely to say they experienced pressure to compromise standards, three times more likely to say they observed misconduct, 41% less likely to report observed misconduct, and 27% more likely to say they experienced retaliation after reporting misconduct.

CONCLUSION:

Rates of observed misconduct are on the decline, coming close to historic lows. More employees feel pressure to cut corners than ever before, and rates of retaliation for reporting wrongdoing have doubled in the past two years. Misconduct drops substantially when organizations have strong cultures in place, yet the number of organizations with strong cultures has not changed.

When organizations prioritize integrity, employees are: less likely to feel pressure to violate ethics standards, less likely to observe misconduct, more likely to report misconduct they observe, and less likely to experience retaliation for reporting. The time is now to make ethics & compliance a priority. Historically, this body of research has revealed that the following first steps will make a difference for businesses regardless of size and industry. Implement an ethics & compliance program as these are essential first-steps to establishing a strong ethical culture. ƒ Develop a statement of values. Promote the values throughout the organization. Set performance goals for senior leaders and managers to visibly support the values of the organization and to reinforce the importance of employee reporting. If a manager's income is dependent on his/her commitment to ethics & compliance, it will become a priority.

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