

The Ethics Landscape in American Business

A Survey Report by the Society for Human Resource Management and the Ethics Resource Center

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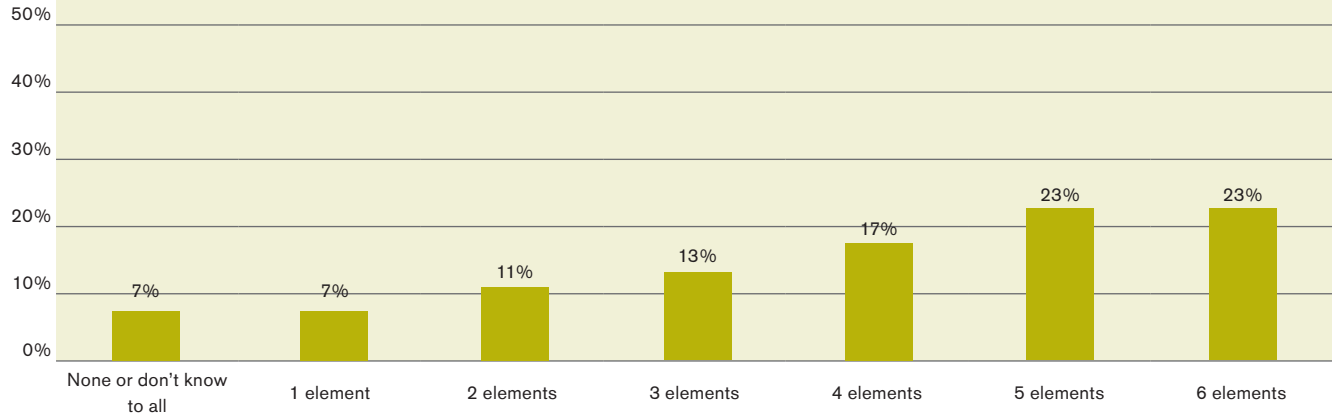
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Figure 1 | Organizational Ethics Standards and Practices (Program Index) (HR Professionals)



(n = 464)

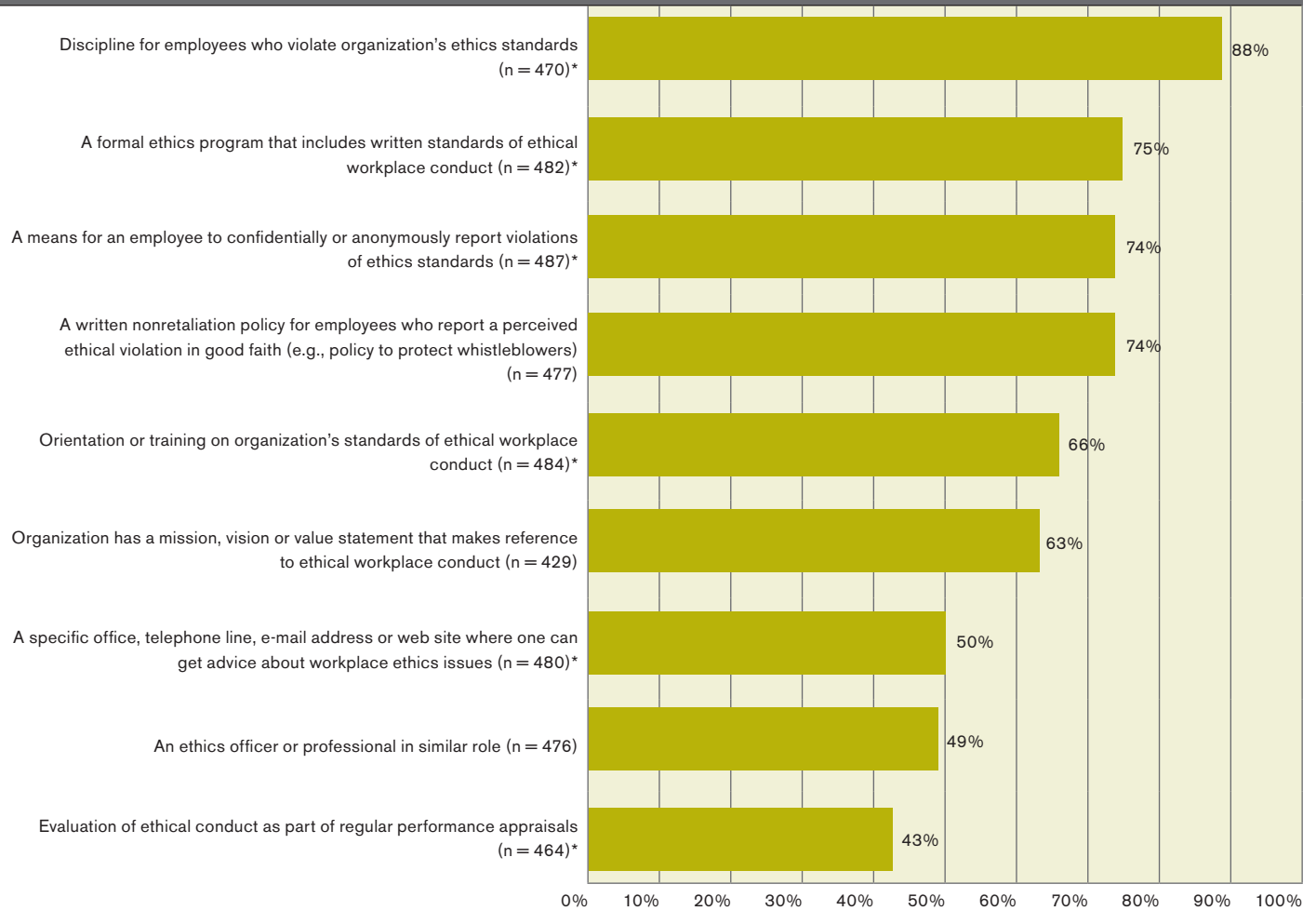
Number of Program Elements Present in Organizations

Note: The Program Index, developed by the ERC, includes the following six program elements: written standards for ethical conduct, training on ethics, provision of a mechanism for seeking ethics-related advice or information, provision of a mechanism for reporting misconduct anonymously, disciplining of employees who violate the standards of the organization or the law, and ethical behavior as part of employee's regular performance appraisals.

Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 2 | Specific Organizational Ethics Standards and Practices (HR Professionals)



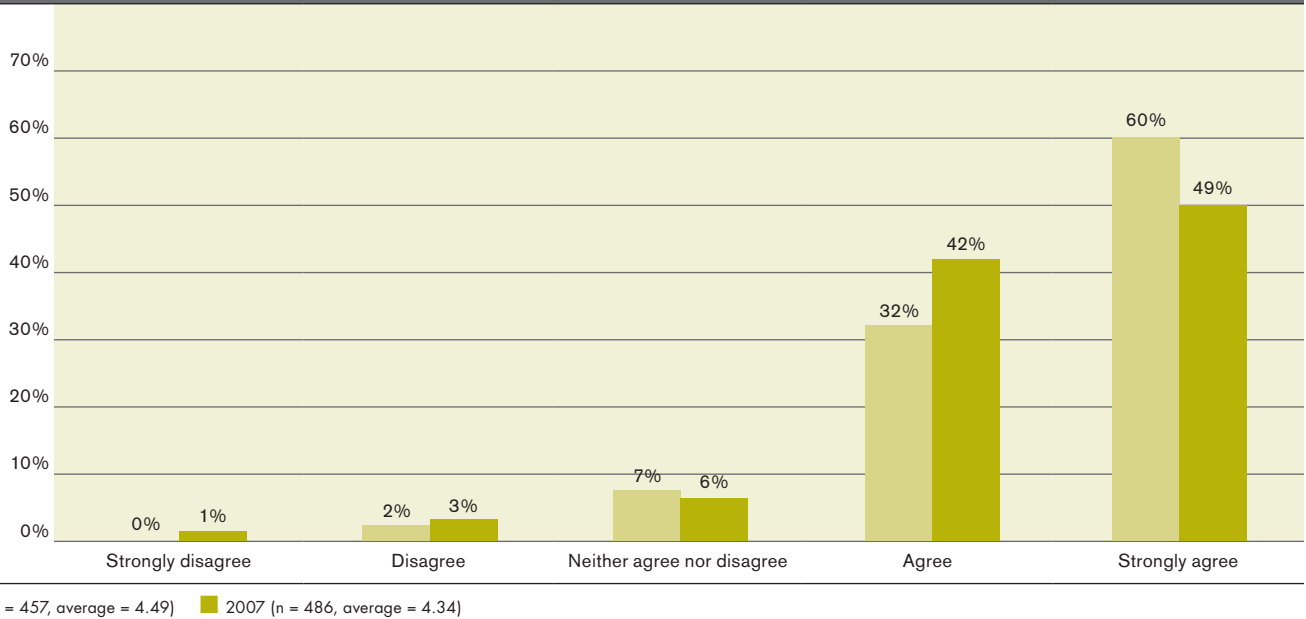
*Represents the six program elements that have been designated in the 2007 NWES to measure the extent to which organizations follow the rules recommended by the FSGO. For the purpose of the analysis, the orientation and training on ethics category includes mandatory (52%) and nonmandatory (30%) response options.

Note: Data sorted in descending order by the percentage of HR professionals who answered "yes." HR professionals who responded "don't know" or "not applicable" were excluded from the analysis.

Source: The Ethics Landscape in American Business [SHRM/ERC, 2008]

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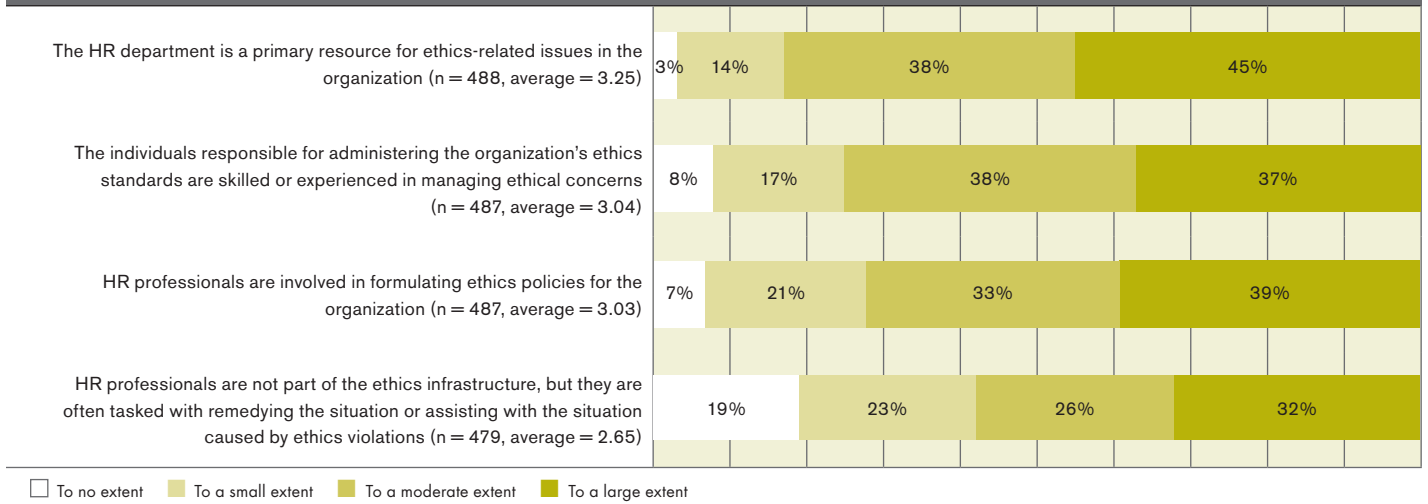
Figure 3 | Familiarity With Organization's Ethics Standards (HR Professionals)



Note: Percentages and averages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." HR professionals who responded "don't know" were excluded from the analysis. Percentages do not total to 100% due to rounding.
 Source: Business Ethics Survey (SHRM/ERC, 2003) and The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 4 | Extent to Which HR Professionals Play a Role in Organizational Ethics (HR Professionals)

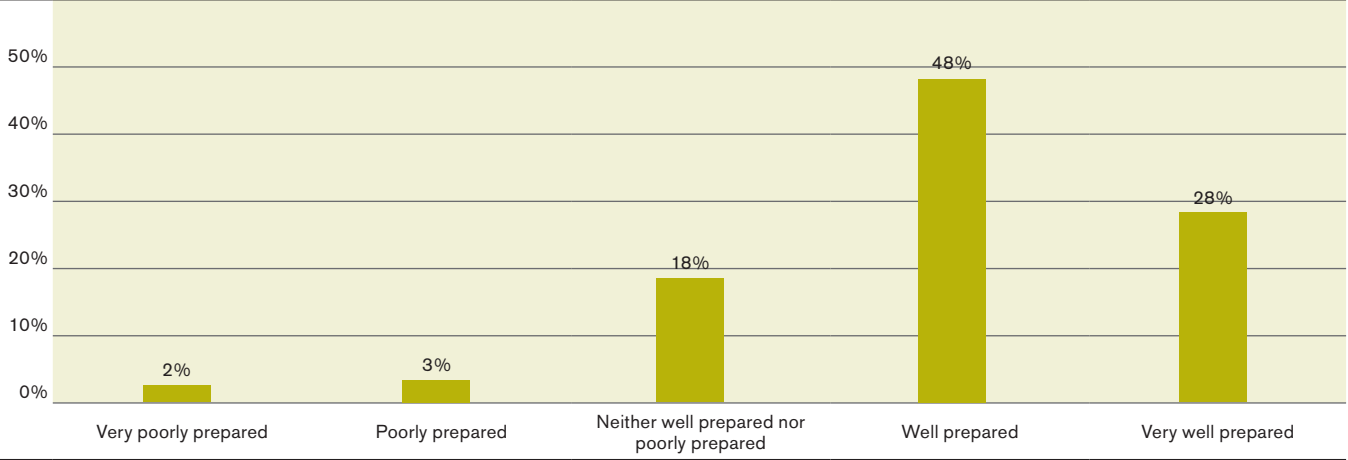


□ To no extent ■ To a small extent ■ To a moderate extent ■ To a large extent

Note: Percentages and averages are based on a scale where 1 = "to no extent" and 4 = "to a large extent."
 Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 5 | Perceptions of Preparedness to Handle Situations That Could Lead to Ethics Violations (HR Professionals)



(n = 473, average = 3.97)

Note: Percentages and averages are based on a scale where 1 = "very poorly prepared" and 5 = "very well prepared." Respondents who responded "don't know" were excluded from the analysis. Percentages do not total to 100% due to rounding.

Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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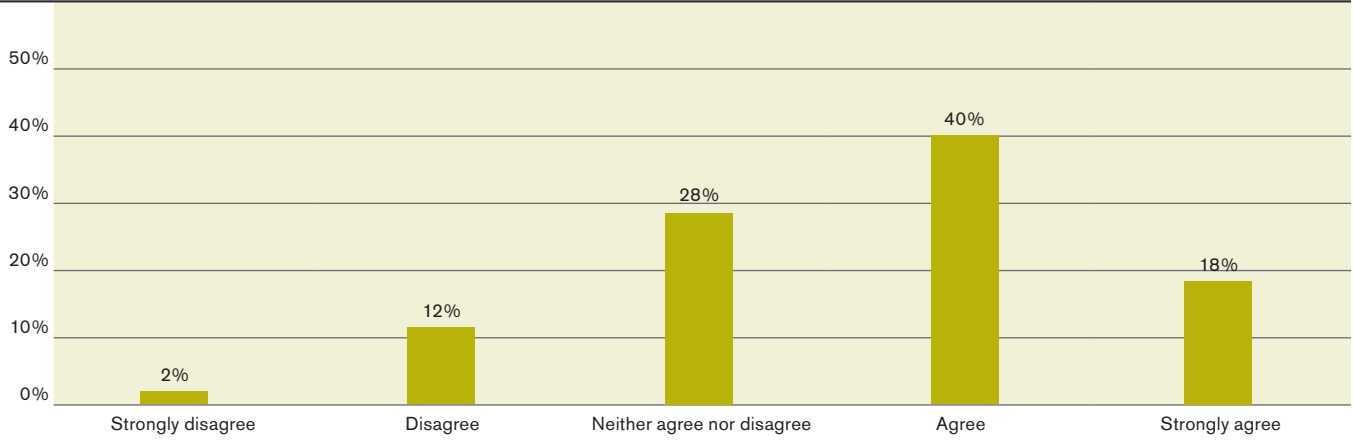
Figure 6 | Agreement With Statements About Ethical Behavior of Top Management, Supervisors and Nonmanagement Employees (HR Professionals)



Note: The data in this figure represent those HR professionals who answered "agree" and "strongly agree." Percentages are based on a scale where 1 = "strongly disagree," 2 = "disagree," 3 = "neither agree nor disagree," 4 = "agree" and 5 = "strongly agree." HR professionals who responded "don't know" or "not applicable" were excluded from the analysis.
 Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 7 | Employees Held Accountable for Not Reporting Violation of Ethics Standards by Others (HR Professionals)



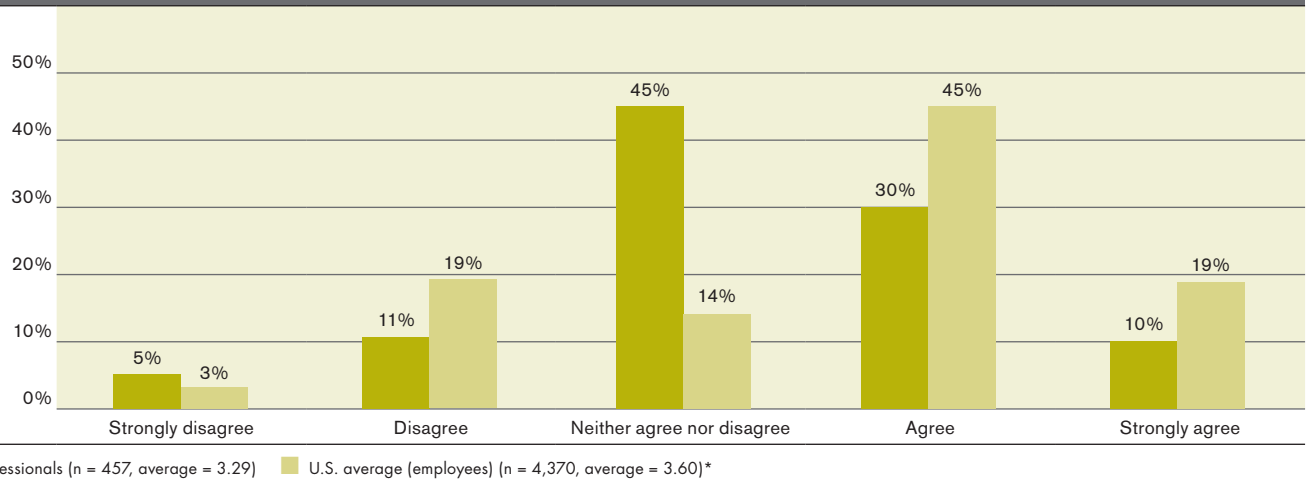
(n = 466, average = 3.59)

Note: Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." HR professionals who responded "don't know" were excluded from the analysis. Percentages do not total to 100% due to rounding.

Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 8 | Organization Rewards Employees Who Follow Its Ethics Standards

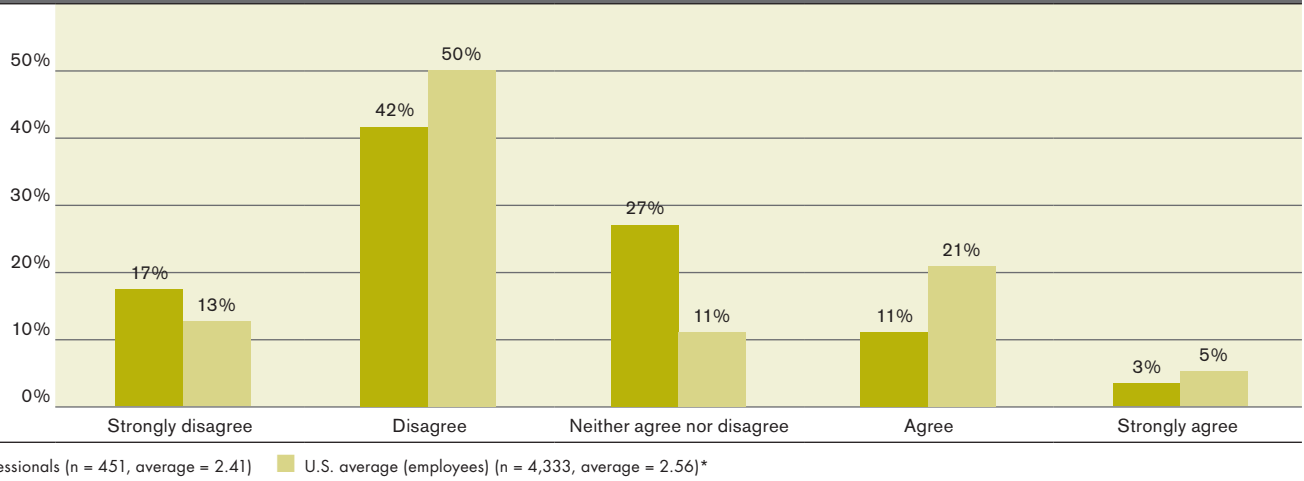


■ HR professionals (n = 457, average = 3.29) ■ U.S. average (employees) (n = 4,370, average = 3.60)*

*The total number of completed interviews for the 2007 NWES was 3,452. However, as a result of population weighting, the n-size varies for different questions.
 Note: Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." Respondents who responded "don't know" were excluded from the analysis. Percentages do not total to 100% due to rounding.
 Source: The Ethics Landscape in American Business (SHRM/ERC, 2008) and National Workplace Ethics Surveys (NWES) (ERC, 2007)

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Figure 9 | Organization Rewards Employees Who Get Good Results Even if They Use Questionable Practices

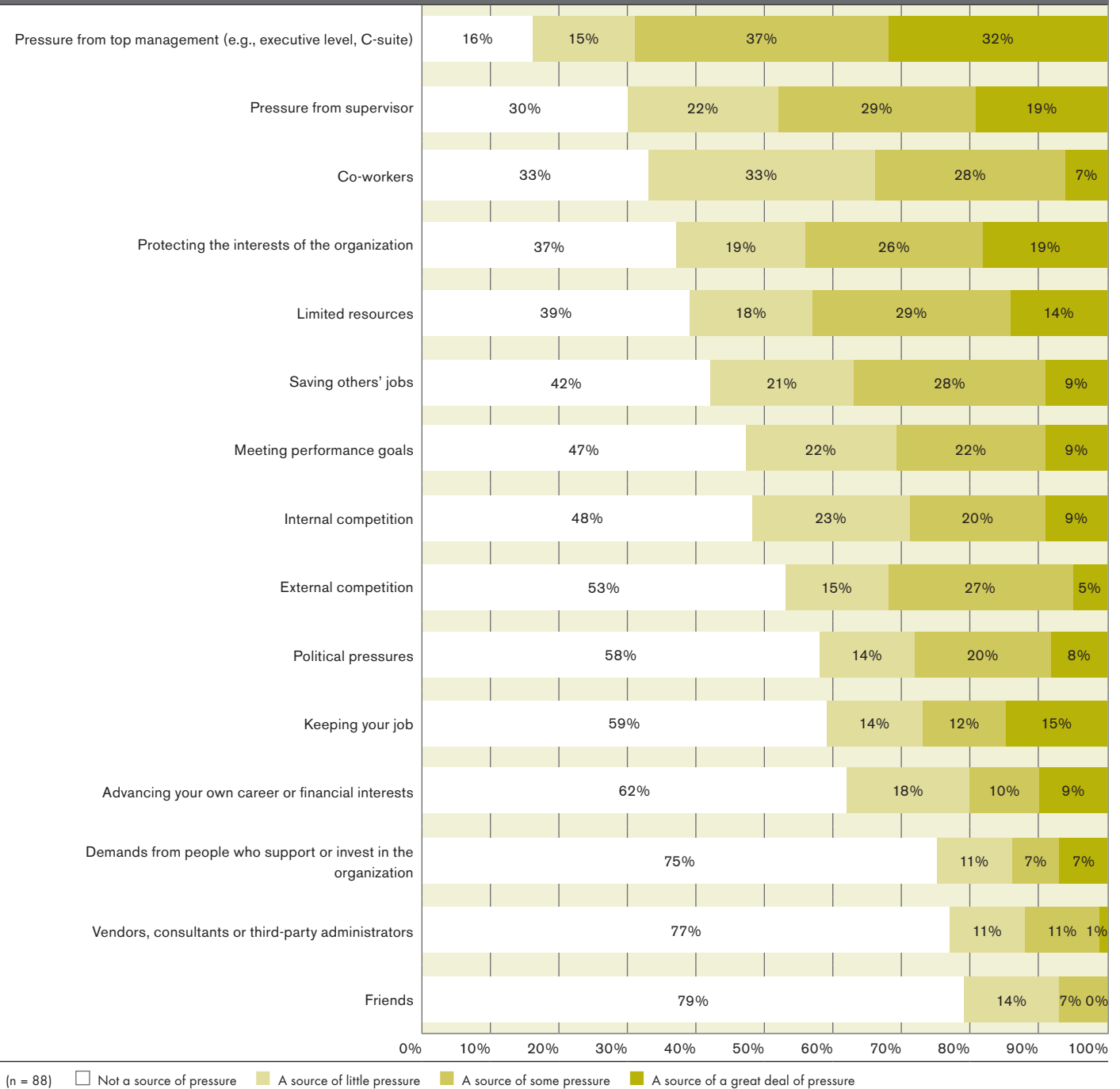


■ HR professionals (n = 451, average = 2.41) ■ U.S. average (employees) (n = 4,333, average = 2.56)*

*The total number of completed interviews for the 2007 NWES was 3,452. However, as a result of population weighting, the n-size varies for different questions.
 Note: Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." Respondents who responded "don't know" were excluded from the analysis. Percentages do not total to 100% due to rounding.
 Source: The Ethics Landscape in American Business (SHRM/ERC, 2008) and National Workplace Ethics Surveys (NWES) (ERC, 2007)

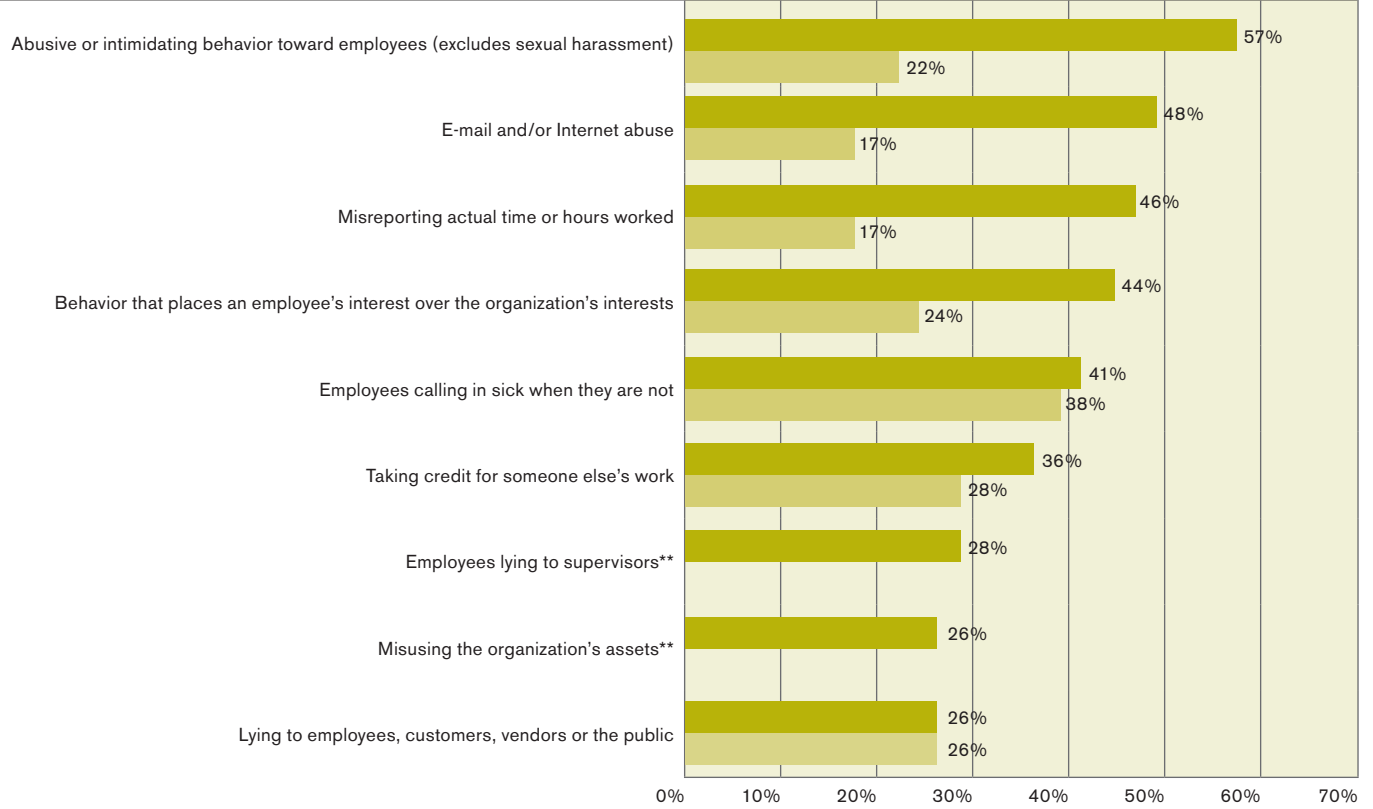
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Figure 10 | Sources of Pressure to Compromise Organization's Ethics Standards (HR Professionals)



Note: Data sorted in ascending order by the percentage of HR professionals who answered "not a source of pressure." Only respondents who indicated that they felt pressured by others to compromise their organization's ethics standards were asked this question (19%). Percentages are based on a scale where 1 = "not a source of pressure" and 4 = "a source of great deal of pressure." HR professionals who responded "don't know" were excluded from the analysis.
 Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

Figure 11 | Most Common Types of Misconduct Observed in Organizations During Past 12 Months



■ HR professionals (n = 148) ■ U.S. average (employees) (n = 4,462)*

*The total number of completed interviews for the 2007 NWES was 3,452. However, as a result of population weighting, the n-size varies for different questions.

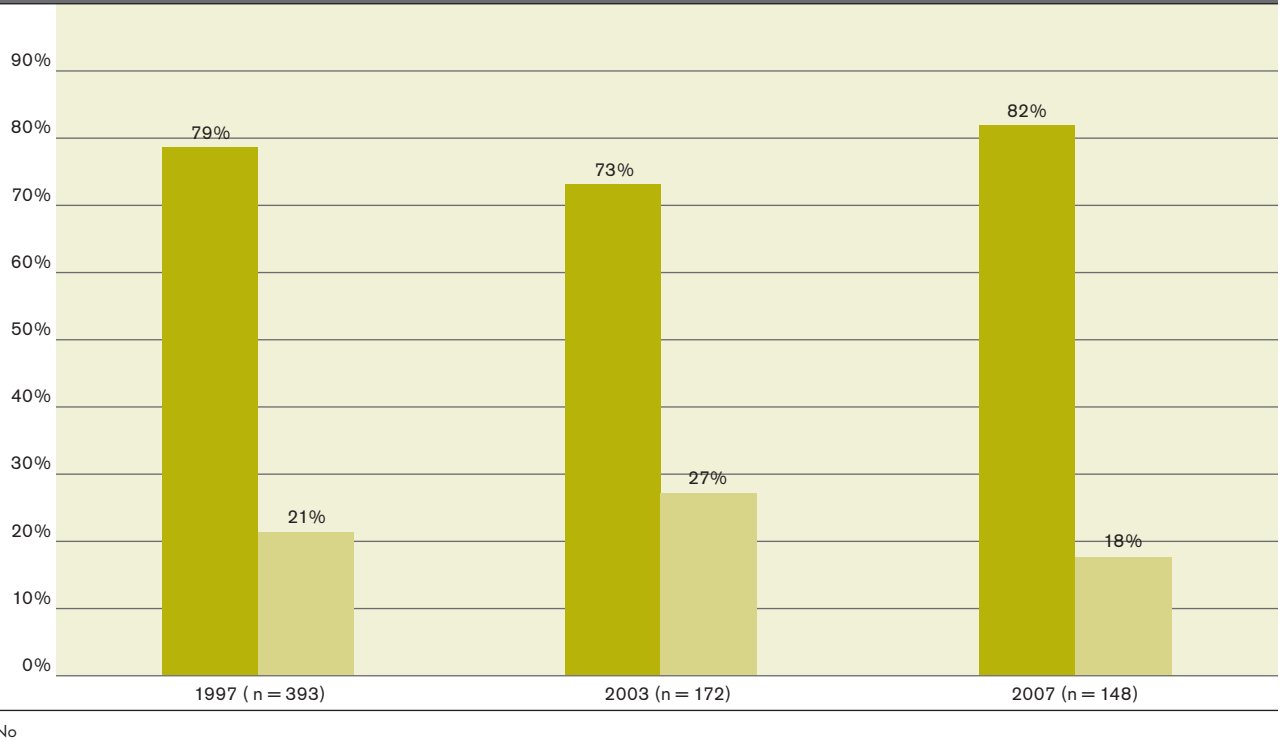
**These categories were not asked in the 2007 NWES.

Note: Data sorted in descending order by the HR professionals data. All employees were asked this question, whereas only HR professionals who indicated that they observed misconduct in the past 12 months were asked this question (32%). Employees were asked to reply "yes" or "no" to each of the items, whereas HR professionals were allowed to select multiple choices.

Source: The Ethics Landscape in American Business (SHRM/ERC, 2008) and National Workplace Ethics Surveys (NWES) (ERC, 2007)

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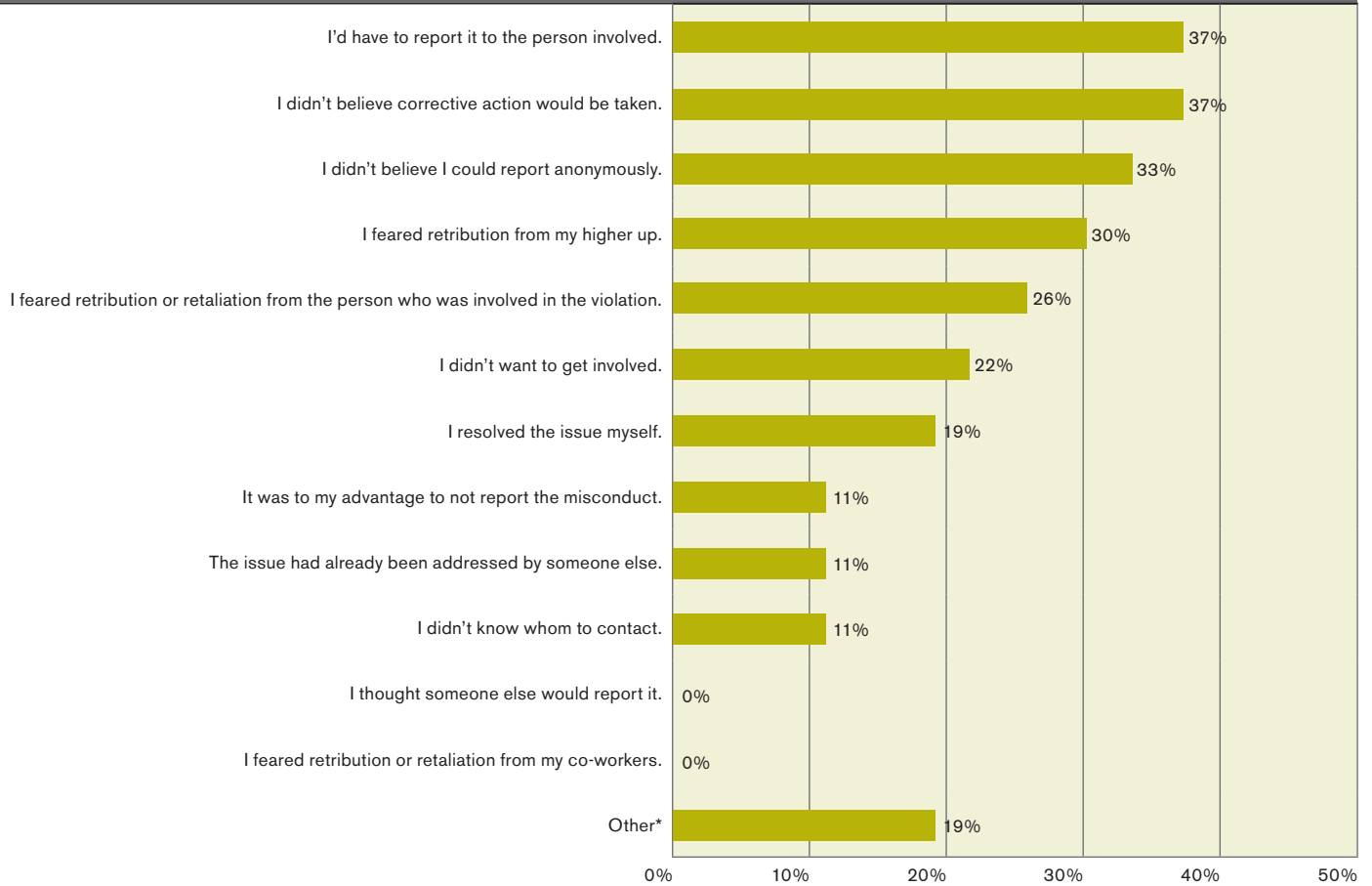
Figure 12 | Reporting Observed Ethics Misconduct in Past 12 Months (HR Professionals)



Note: Only respondents who indicated that they had observed misconduct in the past 12 months were asked this question.
 Source: Business Ethics Survey (SHRM/ERC, 1997), Business Ethics Survey (SHRM/ERC, 2003) and The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 13 | Reasons for Not Reporting Observations of Ethics Misconduct in Past 12 Months (HR Professionals)



(n = 27)

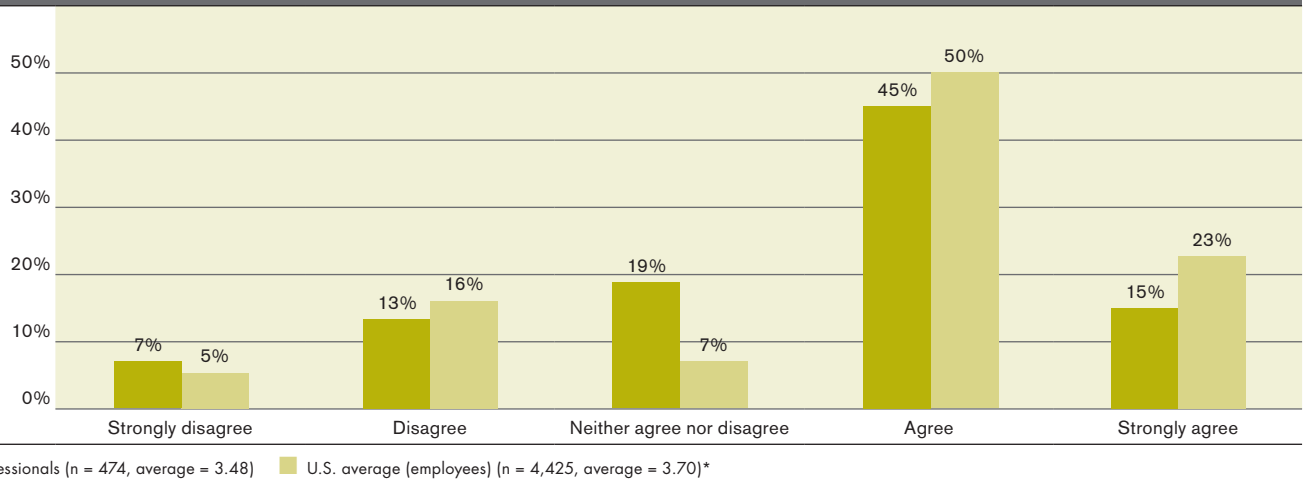
*Other reasons for not reporting observations of ethics misconduct included doubt about the accuracy of the observation, common knowledge by those in charge and actions were sanctioned by upper management.

Note: Only respondents who indicated that they did not report their observation(s) of misconduct to management or another appropriate person in the past 12 months were asked this question (18%). Caution should be exercised when generalizing the results due to the small n-size. Percentages do not total to 100% as respondents were allowed multiple choices.

Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 14 | Employees Can Question the Decisions of Top Management

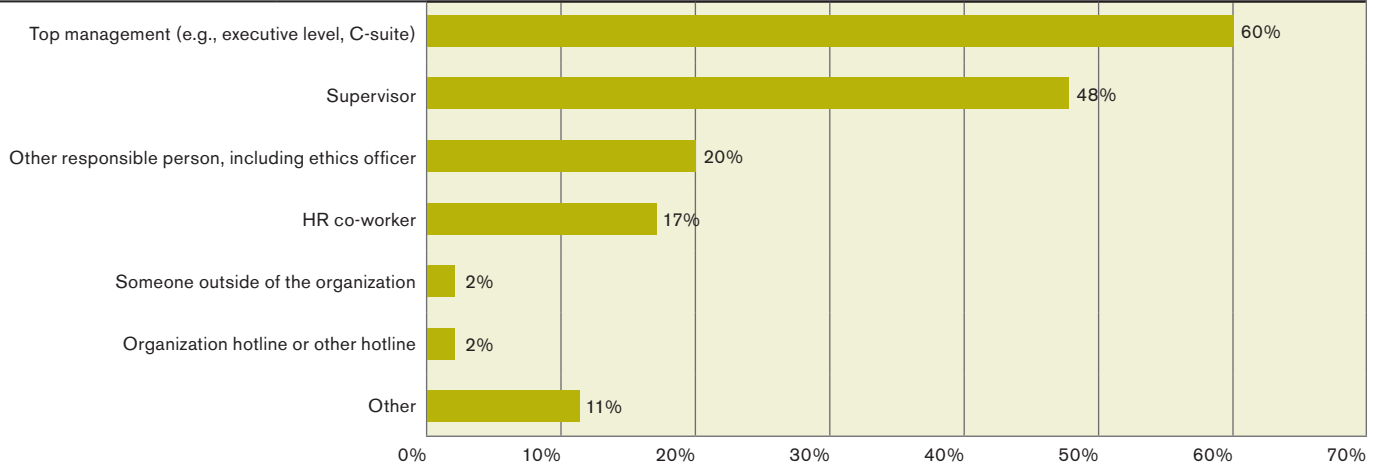


■ HR professionals (n = 474, average = 3.48) ■ U.S. average (employees) (n = 4,425, average = 3.70)*

*The total number of completed interviews for the 2007 NWES was 3,452. However, as a result of population weighting, the n-size varies for different questions.
 Note: Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." Respondents who responded "don't know" were excluded from the analysis. Percentages do not total to 100% due to rounding.
 Source: The Ethics Landscape in American Business (SHRM/ERC, 2008) and National Workplace Ethics Surveys (NWES) (ERC, 2007)

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Figure 15 | To Whom Observed Ethics Misconduct Was Reported in Past 12 Months (HR Professionals)



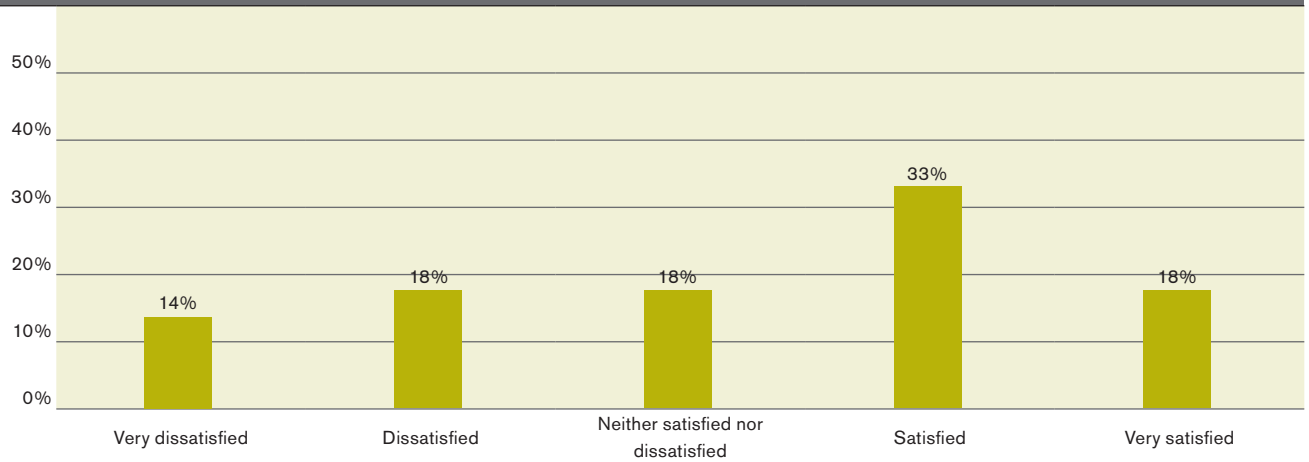
(n = 121)

Note: Only respondents who indicated that they reported their observation(s) of misconduct to management or another appropriate person in the past 12 months were asked this question (82%). Percentages do not total to 100% as respondents were allowed multiple choices.

Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Figure 16 | Satisfaction With Response to Reported Ethics Misconduct in Past 12 Months (HR Professionals)



(n = 120, average = 3.21)

Note: Percentages and averages are based on a scale where 1 = "very dissatisfied" and 5 = "very satisfied." Only respondents who indicated that they reported their observation(s) of misconduct to management or another appropriate person in the past 12 months were asked this question (82%). Percentages do not total to 100% due to rounding.
 Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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