

The Ethics Landscape in American Business

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

KEY FINDINGS

The most prevalent types of organizational ethics standards/practices, as reported by approximately three-fourths or more of HR professionals, were:

- 1) Discipline for employees who violate their organization's ethics standards.
- 2) A formal ethics program that includes written standards of ethical workplace conduct.
- 3) A means for an employee to confidentially or anonymously report violations of ethics standards.
- 4) A written nonretaliation policy for employees who report a perceived ethical violation in good faith.

HR professionals play an important role in organizational ethics. The vast majority of HR professionals believe that their HR department is a primary resource for ethics-related issues and HR is involved in formulating ethics policies for their organization to a "moderate extent" or "large extent." At the same time, a sizeable number of HR professionals feel that they are not truly part of the ethics infrastructure in their organizations, yet they are often called upon to remedy or assist with the situations caused by ethics violations. Despite this issue, most HR professionals feel prepared to handle situations that could lead to ethics violations.

HR professionals, in general, were in agreement that nonmanagement employees, supervisors and top management 1) support them in following their organization's ethics standards, 2) talk about the importance of workplace ethics and doing the right thing in the work they do, 3) set a good example of ethical behavior, and 4) are held accountable if they were caught violating the organization's ethics standards. However, according to respondents, it was less common for top management to be held accountable for ethics violations and for nonmanagement employees to talk about the importance of workplace ethics compared with the other groups.

Overall, organizations tend to reward employees for ethical behavior. Approximately four out of 10 HR professionals agreed or strongly agreed that their organization rewards employees who follow its ethics standards, while six out of 10 respondents

disagreed (responded “disagree” or “strongly disagree”) that their organization rewards employees who get good results even if they use questionable practices.

Although only two out of 10 HR professionals overall felt pressure to compromise their organization’s ethics standards, pressure from top management, supervisor and co-workers, protecting the interests of the organization and limited resources were the five leading sources of pressure.

The most common types of misconduct observed by HR professionals in their organizations during the past 12 months were abusive or intimidating behavior toward employees (excluding sexual harassment); e-mail and/or Internet abuse; misreporting actual time or hours worked; behavior that places an employee’s interest over the organization’s interests; and employees calling in sick when they were not.

More than eight out of 10 HR professionals reported their observations of misconduct to management or another appropriate person during the past 12 months. Most often, HR professionals reported ethics violations to top management and/or a supervisor. When respondents did not report ethics violations (18%), typically it was because they would have had to report it to the person involved or they did not believe that corrective action would have been taken.