

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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Table 1 | Specific Organizational Ethics Standards and Practices (by HR Professional Organization Staff Size)

	Overall (n = 495)	Small (1-99 Employees) (n = 153)	Medium (100-499 Employees) (n = 184)	Large (500 and More Employees) (n = 141)	Differences Based on Organization Staff Size
A formal ethics program that includes written standards of ethical workplace conduct	75%	69%	74%	83%	Large > small
A means for an employee to confidentially or anonymously report violations of ethics standards	74%	68%	70%	86%	Large > small, medium
A written nonretaliation policy for employees who report a perceived ethical violation in good faith (e.g., policy to protect whistleblowers)	74%	66%	72%	85%	Large > small, medium
Organization has a mission, vision or value statement that makes reference to ethical workplace conduct	63%	51%	65%	70%	Large > small
Mandatory orientation or training on organization's standards of ethical workplace conduct	52%	35%	50%	75%	Medium > small Large > small, medium
A specific office, telephone line, e-mail address or web site where one can get advice about workplace ethics issues	50%	34%	48%	73%	Medium > small Large > small, medium
An ethics officer or professional in similar role	49%	33%	49%	67%	Medium > small Large > small, medium
Evaluation of ethical conduct as part of regular performance appraisals	43%	32%	46%	53%	Medium > small Large > small

Note: Data sorted in descending order by the "overall" column. Percentages presented in the table represent HR professionals who answered "yes." HR professionals who responded "don't know" or "not applicable" were excluded from the analysis. Sample sizes are based on the actual number of HR professionals answering the organization staff size question; however, the percentages shown are based on the actual number of HR professionals by organization staff size who answered the question using the provided response options. Table includes only response options for which there were significant differences.

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

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Table 2 | Specific Organizational Ethics Standards and Practices (by HR Professional Organization Sector)

	Overall (n = 495)	Publicly Owned For-Profit Organization (n = 121)	Privately Owned For-Profit Organization (n = 219)	Nonprofit Organization (n = 79)	Government Agency (n = 49)	Differences Based on Organization Sector
Discipline for employees who violate organization's ethics standards	88%	97%	84%	86%	89%	Publicly owned for-profit organization > privately owned for-profit organization
A formal ethics program that includes written standards of ethical workplace conduct	75%	92%	65%	75%	80%	Publicly owned for-profit organization > privately owned for-profit organization, nonprofit organization
A means for an employee to confidentially or anonymously report violations of ethics standards	74%	96%	64%	72%	71%	Publicly owned for-profit organization > privately owned for-profit organization, nonprofit organization, government agency
A written nonretaliation policy for employees who report a perceived ethical violation in good faith (e.g., policy to protect whistleblowers)	74%	94%	64%	68%	71%	Publicly owned for-profit organization > privately owned for-profit organization, nonprofit organization, government agency
Mandatory orientation or training on organization's standards of ethical workplace conduct	52%	80%	40%	44%	55%	Publicly owned for-profit organization > privately owned for-profit organization, nonprofit organization, government agency
A specific office, telephone line, e-mail address or web site where one can get advice about workplace ethics issues	50%	84%	36%	41%	49%	Publicly owned for-profit organization > privately owned for-profit organization, nonprofit organization, government agency
An ethics officer or professional in similar role	49%	73%	37%	46%	52%	Publicly owned for-profit organization > privately owned for-profit organization, nonprofit organization

Note: Data sorted in descending order by the "overall" column. Percentages presented in the table represent HR professionals who answered "yes." HR professionals who responded "don't know" or "not applicable" were excluded from the analysis. Sample sizes are based on the actual number of HR professionals answering the organization sector question; however, the percentages shown are based on the actual number of HR professionals by organization sector who answered the question using the provided response options. Table includes only response options for which there were significant differences.

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

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**Table 3 | Average Level of Extent to Which HR Professionals Play a Role in Organizational Ethics
 (by HR Professional Organization Staff Size)**

	Overall (n = 495)	Small (1-99 Employees) (n = 153)	Medium (100-499 Employees) (n = 184)	Large (500 and More Employees) (n = 141)	Differences Based on Organization Staff Size
The individuals responsible for administering the organization's ethics standards are skilled or experienced in managing ethical concerns	3.04	2.76	3.09	3.30	Medium > small Large > small
HR professionals are not part of the ethics infrastructure, but they are often tasked with remedying the situation or assisting with the situation caused by ethics violations	2.65	2.54	2.60	2.89	Large > small

Note: Data sorted in descending order by the "overall" column. Averages are based on a scale where 1 = "to no extent," 2 = "to a small extent," 3 = "to a moderate extent" and 4 = "to a large extent." Sample sizes are based on the actual number of HR professionals answering the organization staff size question; however, the averages shown are based on the actual number of HR professionals by organization staff size who answered the question using the provided response options. Table includes only response options for which there were significant differences.

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

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**Table 4 | Average Level of Extent to Which HR Professionals Play a Role in Organizational Ethics
(by HR Professional Organization Sector)**

	Overall (n = 495)	Publicly Owned For-Profit Organization (n = 121)	Privately Owned For-Profit Organization (n = 219)	Nonprofit Organization (n = 79)	Government Agency (n = 49)	Differences Based on Organization Sector
The individuals responsible for administering the organization's ethics standards are skilled or experienced in managing ethical concerns	3.04	3.43	2.83	2.96	3.20	Publicly owned for-profit organization > privately owned for-profit organization, nonprofit organization
HR professionals are not part of the ethics infrastructure, but they are often tasked with remedying the situation or assisting with the situation caused by ethics violations	2.65	2.77	2.58	2.54	3.06	Government agency > privately owned for-profit organization

Note: Data sorted in descending order by the "overall" column. Averages are based on a scale where 1 = "to no extent," 2 = "to a small extent," 3 = "to a moderate extent" and 4 = "to a large extent." Sample sizes are based on the actual number of HR professionals answering the organization sector question; however, the averages shown are based on the actual number of HR professionals by organization sector who answered the question using the provided response options. Table includes only response options for which there were significant differences.
Source: The Ethics Landscape in American Business (SHRM/ERC, 2008)

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Table 5 | Agreement With Statements About Ethical Behavior of Top Management, Supervisors and Nonmanagement Employees

Element	Question	HR Professionals (n = 495)		U.S. Average (Employees) (n = 4,462)*	
		Agree	Strongly Agree	Agree	Strongly Agree
Ethical leadership: belief that leaders can be trusted	Top management supports me in following my organization's ethics standards	42%	39%	55%	30%
	Top management talks about the importance of workplace ethics and doing the right thing in the work we do	40%	39%	53%	31%
	Top management sets a good example of ethical behavior	41%	35%	52%	29%
	Top management would be held accountable if caught violating ethics standards	34%	43%	47%	33%
Supervisor reinforcement of ethics: individuals directly above the employee in the company hierarchy set a good example and encourage ethical behavior	My supervisor supports me in following my organization's ethics standards	39%	47%	55%	34%
	My supervisor talks about the importance of workplace ethics and doing the right thing in the work we do	40%	42%	54%	29%
	My supervisor sets a good example of ethical behavior	33%	51%	51%	35%
	My supervisor would be held accountable if caught violating ethics standards	33%	53%	51%	34%
Peer commitment to ethics: ethical actions of peers**	Nonmanagement employees support me in following my organization's ethics standards	61%	20%	–	–
	Nonmanagement employees talk about the importance of workplace ethics and doing the right thing in the work we do	46%	16%	–	–
	Nonmanagement employees set a good example	64%	19%	–	–
	Nonmanagement employees would be held accountable if they violate ethics standards	47%	44%	–	–

*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.

**In the 2007 NWES, respondents were asked about the peer commitment of their "co-workers" rather than "nonmanagement employees," thus these NWES data are not included in the above table (-).

Note: Percentages are based on a scale where 1 = "strongly disagree," 2 = "disagree," 3 = "neither agree nor disagree," 4 = "agree" and 5 = "strongly agree." Respondents who responded "don't know" or "not applicable" were excluded from the analysis.

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

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Table 6 | Average Level of Agreement With Statements About Ethical Behavior of Top Management, Supervisors and Nonmanagement Employees (by HR Professional Organization Sector)

	Overall (n = 495)	Publicly Owned For-Profit Organization (n = 121)	Privately Owned For-Profit Organization (n = 219)	Nonprofit Organization (n = 79)	Government Agency (n = 49)	Differences Based on Organization Sector
My supervisor supports me in following my organization's ethics standards	4.24	4.47	4.21	4.05	4.20	Publicly owned for-profit organization > nonprofit organization
Top management in my organization talks about the importance of workplace ethics and doing the right thing in the work we do	4.07	4.33	4.00	3.97	4.04	Publicly owned for-profit organization > privately owned for-profit organization
Overall, my supervisor sets a good example of ethical behavior	4.23	4.42	4.23	3.99	4.27	Publicly owned for-profit organization > nonprofit organization
My supervisor would be held accountable if he or she were caught violating my organization's ethics standards	4.29	4.53	4.24	4.09	4.33	Publicly owned for-profit organization > nonprofit organization

Note: Averages 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. Sample sizes are based on the actual number of HR professionals answering the organization sector question; however, the averages shown are based on the actual number of HR professionals by organization sector who answered the question using the provided response options. Table includes only response options for which there were significant differences.

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Table 7 | Types of Misconduct Observed in Organizations During Past 12 Months (by HR Professional Survey Year)

	1997 (n = 389)	2003 (n = 155)	2007 (n = 148)
Abusive or intimidating behavior toward employees (excludes sexual harassment)	–	–	57%
E-mail and/or Internet abuse	–	–	48%
Misreporting actual time or hours worked	–	59%	46%
Behavior that places an employee's interest over the organization's interests	–	–	44%
Employees calling in sick when they were not	–	–	41%
Taking credit for someone else's work	–	–	36%
Employees lying to supervisors	45%	53%	28%
Misusing the organization's assets	24%	29%	26%
Lying to employees, customers, vendors or the public*	–	31%	26%
Violations of the privacy of employees	–	16%	23%
Sexual harassment	–	25%	20%
Stealing/theft	27%	25%	18%
Employees engaging in fraud, accepting or giving bribes, kickbacks or gifts that may conflict with organizational responsibilities	–	–	16%
Inappropriate alteration of documents or records	–	–	16%
Violations of Title VII (discrimination based on race, color, gender, age or similar categories)	23%	16%	15%
Violations of workplace legislation (OSHA, FLSA and FMLA)	–	–	13%
Misusing insider information	14%	3%	5%
Purposeful misrepresentation of financial records or reports	–	–	4%
Altering results of product/service testing	16%	7%	3%
Provisions of goods or services that knowingly fail to meet specifications	–	–	1%
Other**	–	–	16%

* This question was asked differently in 2003 by specifying "management lying to employees, customers, vendors or the public."

**Other types of misconduct observed in organizations included violations of company policies (hiring practices, business conduct, drugs, etc.), conflicts of interest and inappropriate relationships.

Note: Data sorted in descending order by the 2007 column. Only HR professionals who indicated that they observed misconduct in the past 12 months were asked this question. Sample sizes and percentages are based on the total number of HR professionals by year who answered this question. Percentages do not total 100% due to multiple response options. A dash (–) indicates that this particular category was not asked in 1997 and/or 2003.

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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