

## **2000 Organizational Integrity Survey**

A survey conducted by KPMG, 2000

### **Background**

- Questionnaires were fielded between October 15 and November 15, 1999.
- A total of 2,390 completed questionnaires were returned for a response rate of 78%.

### **Survey Highlights Percentage of employees who observed illegal or/and unethical conduct on the job. By industry:**

- All industries - 76%
- Consumer markets - 81%
- Industrial markets - 78%
- Health care & Public Sector - 74%
- Information, communication & entertainment - 73%
- Financial Services - 68%

### **Percentage of employees who observed misconduct. By industry:**

- All industries - 49%
- Consumer markets - 44%
- Industrial markets - 44%
- Health care & Public Sector - 57%
- Information, communication & entertainment - 45%
- Financial Services - 48%

### **Percentage of employees who believe that misconduct is caused by:**

- Cynicism/low morale/indifference - 73%
- Pressure to meet schedules - 70%
- Pressure to hit unrealistic earnings goals - 65%
- Desire to succeed or advance careers - 56%
- Inadequate training - 50%
- Desire to steal from or harm the company - 22%

### **Percentage of employees believing that organizational integrity would be improved by:**

- Incentives and rewards for adhering to company standards - 51%
- Stronger commitment from top management - 50%
- More time and resources to perform their jobs - 50%
- Stronger support for raising questions and concerns internally - 48%
- Increased communication and training - 46%
- More realistic earnings and growth goals - 38%

- Increased oversight by the board of directors - 37%
- Better policies and procedures - 36%
- Tighter auditing and controls - 28%

**Percentage of employees who would recommend their company to recruits based on how they view management in dealing with improper conduct in the workplace.**

- On average, 66% of the employees surveyed would recommend their companies to recruits.
- Among those who believe that management would authorize improper ethical conduct, only 21% would recommend their companies to recruits.
- Among those who believe management would not authorize improper conduct, a full 81% would recommend their companies.

**Percentage of employees who believe that their customers would recommend their companies to others based on how employees view management in dealing with improper conduct in the workplace.**

- On average, 69% of the employees surveyed believe that their customers would recommend their companies to others.
- Among those who do not believe management would uphold company standards, only 40% expect customer recommendations.
- Among those who do believe management would uphold company standards, a full 80% expect customer recommendations.

**Summary conclusions:**

- Employees are observing a high level of illegal and unethical conduct on the job.
- Misconduct observed by employees is of a serious nature.
- Companies are sending the wrong messages to employees on how to meet business goals.
- Improving organizational integrity requires comprehensive solutions.
- Management's commitment to business integrity enhances its ability to attract and retain good employees.