

National Business Ethics Survey—Ethics in the Recession

Ethics Resource Center

2009

Objective:

This survey is conducted every two years (since 2003) to assess the state of ethics in the American workplace. This report specifically looks into the effect the recession has had on workplace ethics.

Methods Used:

ERC polled and collected 3010 responses for this survey. Out of these, 2852 responses were from employees in the for-profit sector and were used for this research. All participants in this survey were 18 years of age or older, currently work at least 20 hours a week and are working for a company that employs at least two people. The sampling error of the findings in this report is ± 1.8 at the 95 percent confidence level.

Key Findings:

- 49% employees witnessed misconduct on the job (as compared to 59% in 2007)
- 63% employees reported misconduct when they observed it over 58% in 2007.
- ERC's measures of the strength of ethical culture in the workplace increased from 53% in 2007 to 62% in 2009 – a positive sign.
- Perceived pressure to commit an ethics violation declined from 10% in 2007 to 8% in 2009.
- There was a 3% increase in perceived retaliation as a result of a report of misconduct since 2007 – a negative sign.
- 22% agreed that the recession had negatively impacted the ethical culture within their company. 10% said that their company had to lower its ethical standards to weather the recession.
- 71% respondents feel that their workplace is open and informative.
- Nearly 80% of the interviewees said they work in an environment where employees at all levels are held accountable to company standards.
- 62% employees say that CEO compensation is appropriate at current levels.
- 60% responded that high-risk strategies are not rewarded in companies with a strong ethical culture.

Conclusion:

After a gap of six years, the National Business Ethics Survey has delivered good news about the state of ethics in American business. However, it is expected that this positive environment should be temporary. Usually when times are tough, ethics improve and vice versa. This pattern has then perceived for many years and is expected to continue.

Ethical culture is the single biggest factor determining the amount of misconduct that takes place in a business. Executives who don't elevate culture to a priority risk long-term business problems.

[Full Report](#)