



## **Productivity**

**June/July 2011**

### **Deloitte's 2010 Ethics & Workplace Survey**

In 2007, Sharon Allen, Deloitte LLP's chairman of the board, commissioned the first annual Ethics & Workplace Survey. In the past the survey focused on the relationship between career-life fit and ethical behavior at work, how leadership transparency translates into a more productive and ethical workforce, and the reputational risk associated with the increased use of social networking. The 2010 survey takes a closer look at trust in the workplace.

During challenging economic times, the relationship between employees and employers is often tested. Frequently, executives are forced to make decisions that broadly affect their workforces and alter what matters in the workplace. Today's business environment is no exception; it appears that the recession has diminished two important forms of business currency: trust and ethics. As with any human relationship, once the trust is gone, the relationship usually goes with it.

### **Survey Results**

Based on the results of the 2010 Deloitte survey, it appears that employers may not be fully aware of the impact their decisions have on employees. In order to build a transparent, trusting workplace, business decisions need to remain consistent with the organization's culture and policies. According to survey results:

- 34% of employed Americans plan to look for a new job when the economy improves. Within this group, 48% cite a loss of trust in their employer.
- 46% say that the lack of transparent communication from their company's leadership is the primary reason for pursuing new employment.
- Additionally, 65% of Fortune 1000 executives who are concerned employees will be job hunting in the coming months, believe trust will be a factor in a potential increase in voluntary turnover.

On a positive note, a large number of the employees surveyed felt that their employers are responsive to their work/life balance needs and technology makes it possible for employers to develop flexible arrangements that allow employees to balance work and personal commitments. This demonstrates that employers are aware of the varying needs amongst employees and are willing to make accommodations to retain valuable employees.

## Message for Business Leaders

When companies such as Deloitte publish reports related to ethics and compliance, business leaders must pay attention to the findings. The results of the survey signal the need for business leaders to emphasize ethics in order to regain the trust of their employees.

When decisions are made that are not *in line* with the company's culture, employee trust is sacrificed, as they no longer know what- or who, to believe. This can lead employees to feel that there has been a change in corporate culture, pushing them to pursue alternative employment with a company that has a culture more similar to the employee's personal attitude.

During tough times, such as the recent US recession, many companies resort to cutting budgets and eliminating employees from their organizations to save money. When communication lines are broken, employees may feel they are next to be eliminated. Employees may also be concerned about future implications of these events on the company. Regular communication from all levels of an organization, regardless of economic climate, is necessary to strengthen corporate culture and ensure all employees are aware of what is expected of them throughout times of change. Managers and executives must communicate to employees the reasoning behind their decisions and inform them of how it fits into the future plans for the organization.

The survey results reiterate the need for executives to set the tone "at the top". Leaders must focus on improving workplace communication transparency within the company and with the public. They must also maintain an ethical culture. Adopting these practices provides businesses with an advantage when it comes to attracting skilled employees. Ethical cultures that are enforced and practiced by top level management help reduce corporate risk, as employees are able to see for themselves the efforts and importance placed on ethics and compliance within the workplace. Fostering a communicative environment reduces corporate risk, as employees can ask questions, receive answers and likely feel safer bringing information forward when it comes to workplace misconduct or policy violations.

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The [2010 Ethics & Workplace Survey](#), published August 3, 2010, can be downloaded for free from the Deloitte website.