



Media Release

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New survey finds link between employer's approach to ethics, and productivity and loyalty of employees

Beaton Consulting and St James Ethics Centre today released data on what Australian business professionals really think about ethics.

Dr George Beaton, Executive Chairman of Beaton Consulting, spoke at the launch; "Each year Beaton Consulting donates research to a not-for-profit organisation as part of our Annual Business and Professions Study. This year we are thrilled to be working with St James Ethics Centre on an issue of such importance to the current climate."

According to Dr Simon Longstaff, this report has come at a pivotal time in history. In introducing the report, he contends; "The global community is faced by a conjunction of challenges so grave as to justify being considered 'crises'. The list includes some obvious issues – climate change caused by global warming, world-wide recession, a global food crisis affecting the most vulnerable. However... there is also a crisis of confidence; in our principal institutions, their legitimacy and their leadership..."

"Perhaps our leaders believe that no one cares about ethics. Perhaps they believe that we really are all nothing more than the mythical *homo economicus* – motivated solely by a narrow form of self interest. If this is what our leaders believe, then they are just plain wrong. As this report shows, people really do care about the ethics of their employers – and of the institutions within which they work. The figures included in this report speak for themselves."

The study, which surveyed over 15,000 individuals in professional business roles, found that employees give significant thought to ethical issues in their everyday working life and deal with ethical dilemmas regularly. And more importantly their attitudes have a significant impact on their intentions with respect to both discretionary effort and loyalty to the organisation.

Key statistics:

- Less than 1% of individuals believe that business has no ethical obligations, or that legal compliance is the only ethical obligation of businesses
- 84% of individuals believe being responsible environmentally is included in the definition of business ethics
- A staggering 93% of individuals believe that organisations have an obligation to act ethically even if it occasionally harms their profits
- And 91% agree that all organisations should make a formal commitment to acting ethically.

According to Rosemary Sainty, Head of the Responsible Business Project at St James Ethics Centre, who lead the development of the public report, "the obligations of businesses and other organisations are no longer seen in isolation from the communities in which they operate, the employees they depend upon, the environment from which they draw their resources and the marketplace in which they participate."

Key statistics:

- 80% of individuals agree that they are willing to put in extra effort at work if they know that their organisation is run ethically
- 77% agree that if their employer acted in a way that contradicted their core principles, they would definitely leave the organisation



- One in four individuals believe their employer is not doing enough to promote ethical behaviour
- One in four individuals experience people behaving unethically towards one another in their organisation
- One in four individuals believe that their organisation's employees would not adhere to the code of ethics if they thought that profits or funding would be harmed.

Rosemary Sainty points out the implications of these findings for Australian employers; "Taken together, these findings may mean that at least one in four employees are not putting in their best at work – this must be having a serious impact on productivity in Australian organisations.

"The results serve to reinforce one of the central planks of the business case for responsible business practice: employee satisfaction – leading to improved management performance, productivity and capacity to attract, retain and motivate talented staff; increased learning, innovation and productivity; reduced hiring and retention costs."

Simon Longstaff also considers the implications of the findings published in the report; "The first is that organisations need to become far more serious about embedding and integrating ethics into the operating fabric of day-to-day decision making. Performance in this area should be measured and reported.

"The second point is that we may be doing real damage to the integrity of an organisation by structuring remuneration on the assumption that people only work hard if bribed to do so. Finally, we might note that the energies of vast numbers of people might be harnessed to address pressing global issues... but only if leaders speak and act clearly, thoughtfully and consistently with regard to the ethical dimension that informs our lives."

Additional documents:

- Full electronic report on the findings of the business ethics study – email ann.storr@ethics.org.au to request an emailed copy

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