

## 2023 Global Business Ethics Survey Report

The State of Ethics & Compliance in the Workplace

A GLOBAL LOOK



# THE GLOBAL BUSINESS ETHICS SURVEY

For almost 30 years, ECI has delivered the only long-term study of workplace conduct from the employee's perspective.

Since 1994, the Ethics & Compliance Initiative (ECI) has conducted a longitudinal, cross-sectional study of workplace conduct from the employee's perspective. Now in its 17th iteration, ECI's Global Business Ethics Survey<sup>®</sup> (GBES<sup>®</sup>) data provide the global benchmark on the state of ethics & compliance (E&C) in business across the globe.

Survey participants are asked to provide insight on a variety of topics, including the strength of the ethics culture in their workplace, the instances of misconduct that they have observed and what, if any, efforts are underway in their organization to promote integrity.

This version of the study is ECI's largest undertaking in its history. The international benchmark is a sample built from surveying employees in 42 countries across all regions of the world.

Additionally, in the GBES, new topics are explored. In this version, ECI examined organizational environmental, social and governance (ESG) efforts from the vantage point of the employees and conducted more inquiry into the presence of unethical conduct. Findings from these areas will be shared in future releases from ECI.

# ABOUT THIS REPORT

**Providing actionable insights to improve ethical cultures.**

Since its inception, ECI's research has provided leaders with reliable data on trends in workplace ethics, focusing on the key drivers that improve ethical cultures in the workplace and the way that changes in culture impact conduct throughout the organization (a.k.a. ethics outcomes or ethics & compliance outcomes). The strength of an organization's ethics culture is measured through multiple indicators of employee behaviors at various levels within an organization, including leaders, supervisors and coworkers. These behaviors demonstrate and promote a commitment to E&C on a daily basis. A thriving culture involves commitment, modeling and the right conduct by all employees in an organization. ECI research shows that the quality of an organization's E&C program and the strength of the organization's ethics culture is key to achieving desired conduct. The ECI Culture Strength Index combines survey items asking employees their view on the ethical behaviors and actions of top management, their supervisors and coworkers.

Four major ethics outcomes are tied to the daily micro decisions employees make with respect to how they behave in the workplace.

These are:

- **Pressure** in the workplace to compromise ethical standards;
- **Observations of misconduct** by employees as they go about their day-to-day work;
- The **reporting of misconduct** when observed; and,
- Any **retaliation** perceived by employees after they report misconduct.

This report discusses data collected from employees in 42 countries from late 2022 to early 2023 (noted as 2022 data in figures and text). Comparisons are made to 2020 GBES findings where possible. The global median for 2022 includes 42 countries, compared with 2020, which includes 10 countries. *Readers are asked to keep this in mind when comparing the global median data between the two years.*

## KEY FINDING 1

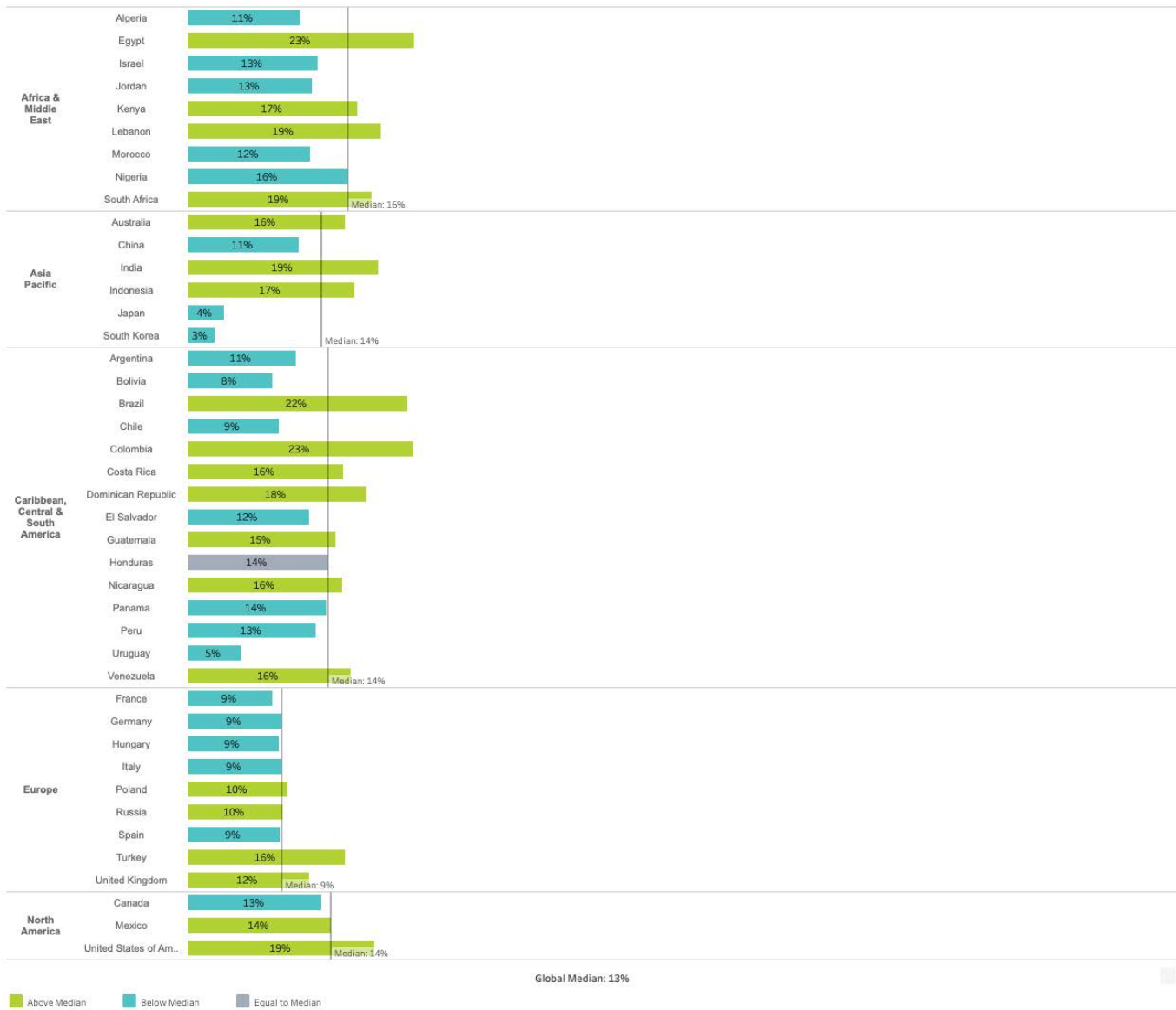
# ETHICAL CULTURE STRENGTH<sup>1</sup> REMAINS STEADY

The single most significant influence on employee conduct is culture. In strong ethical cultures, wrongdoing is significantly reduced. A strong ethical culture reflects an employee's belief that the organization in which they work is undertaking ethics-related actions and is a consequence of a higher-quality E&C program and its effectiveness.

- At 13%, the ethical culture strength global median remains similar to 2020 (14%), revealing that about one-in-seven employees work in an organization they perceive has a strong ethical culture.
- In 2022, workplaces with the strongest ethical cultures (based on employees' perceptions) appear in Egypt (23%), Colombia (23%) and Brazil (22%), while South Korea (3%) and Japan (4%) are among the lowest.
- The median culture strength of the subset of 10 countries surveyed in both 2020 and 2022 decreased slightly from 14% in 2020 to 12% in 2022. In four of the 10 countries (China, Spain, India and Mexico), ethical culture strength dropped by 20% or more. Workplaces in Mexico had the greatest weakening in culture strength, a 37% decrease from 23% to 14%.
- The regional median of 9% in Europe trails all other regional medians. The highest is 16% in the Africa & Middle East region, while the medians in the other three regions are 14%.

Survey Year  
2022

Global Business Ethics Survey (GBES)  
Employees Recognizing Strong Culture



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## KEY FINDING 2

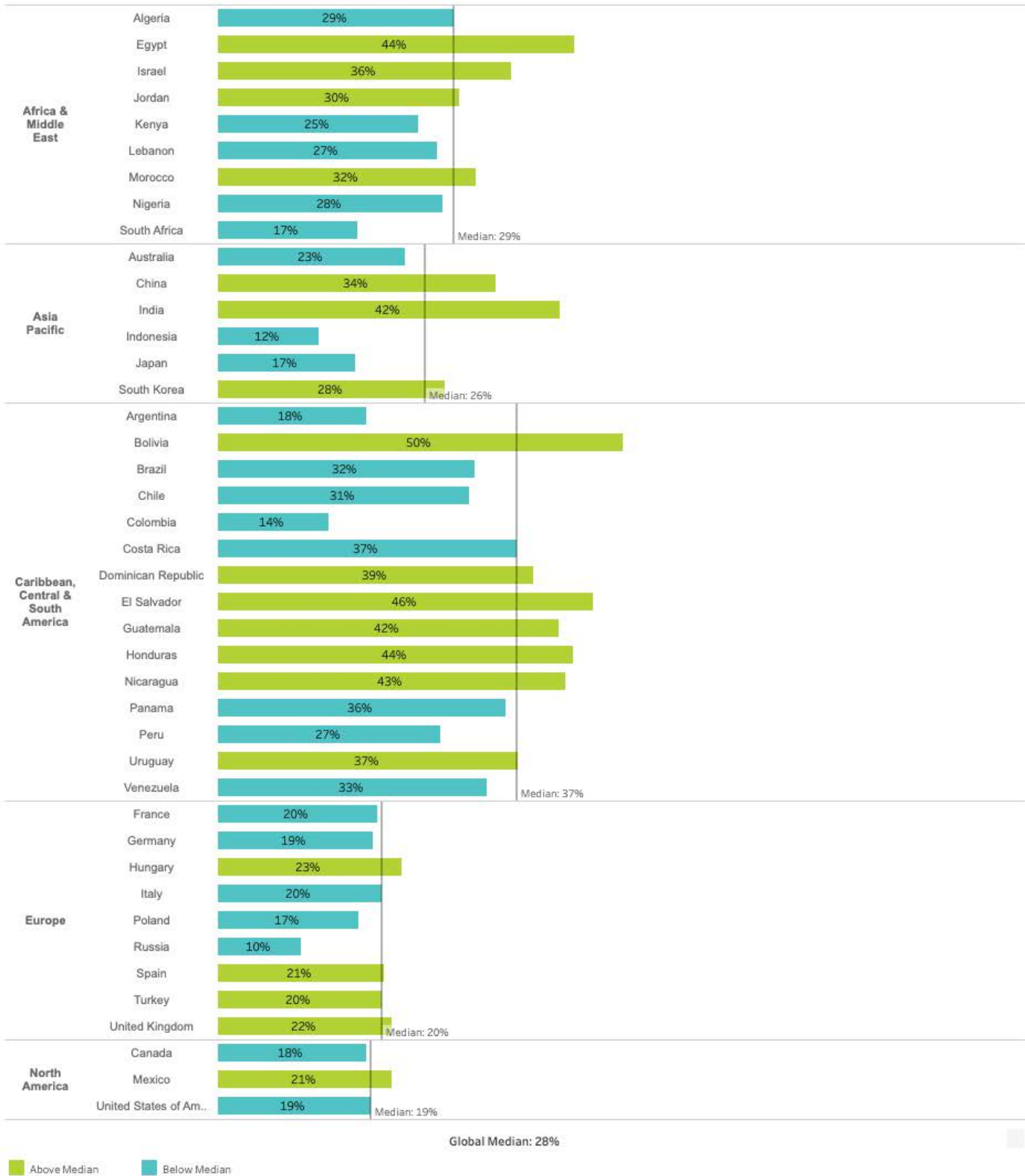
# PRESSURE TO COMPROMISE STANDARDS REMAINS AT A HISTORIC HIGH

Pressure to compromise workplace ethics standards serves as a warning signal for both ongoing and future misconduct. Employees working in high-pressure organizations are much more likely to observe misconduct in their workplace. Keeping pressure to compromise standards low, as an effective E&C program does, helps to keep E&C risks low.

- The global median percentage of employees experiencing pressure (28%) is comparably as high as in 2020 (29%).
- Compared with 2020, workplace pressure rates fell in eight of the 10 countries surveyed in both years.
- Of those 10 countries, the United States had the largest reduction in pressure since the previous study, dropping from 33% to 19%. The drop in China from 52% to 34% is especially notable because it is no longer the case that over half of respondents report feeling pressure.
- The Caribbean, Central & South America region has the highest median pressure (37%), over 25% higher than the next-most-pressured region, Africa & Middle East, at 29%. Europe and North America regions have the lowest medians for pressure, at around 20%.
- The Asia & Pacific region has a wide range internally, with the closest gap between any two countries at five percentage points (Japan and Indonesia, 17% and 12%) and South Korea and Australia (28% and 23%). In contrast, Europe, aside from an outlier of Russia at 10%, has consistency in their percentages, with a gap of only six percentage points between the highest (23%, Hungary) and lowest (17%, Poland) rates.

Survey Year  
2022

Global Business Ethics Survey (GBES)  
Employees Experiencing Pressure to Compromise Standards



### KEY FINDING 3

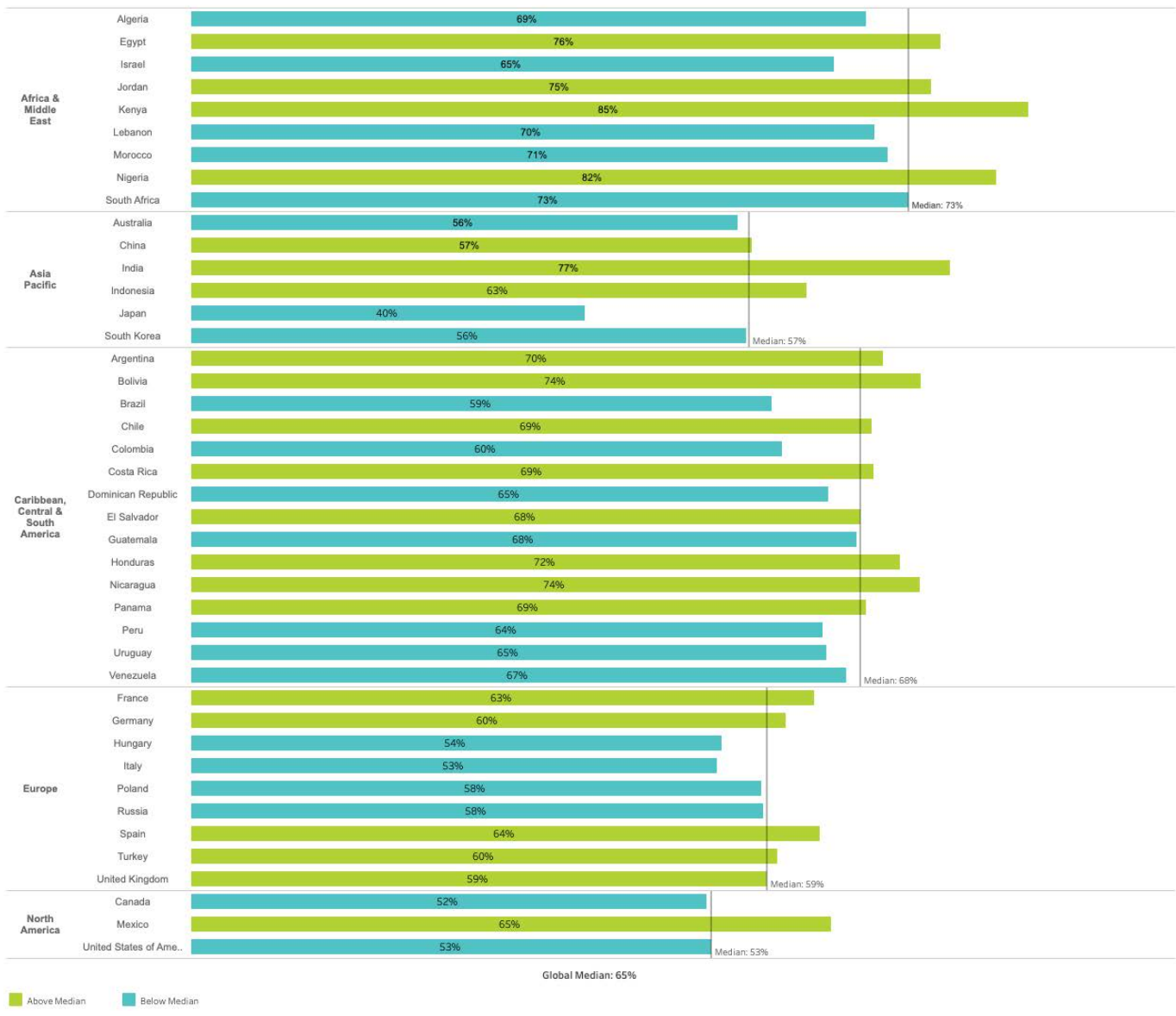
## OBSERVED MISCONDUCT CREEPS UPWARD SINCE 2020, FROM 60% TO 65%

The rate at which employees observe misconduct is a fundamental indicator of the strength of an organization's ethics culture. Organizations with high rates of misconduct are likely to have ineffective E&C programs, a lack of accountability, and senior leaders who fail to communicate the importance of ethics in the workplace.

- In 2022, the global median of observed misconduct is 65%<sup>2</sup> compared with 60% in 2020. In every country except Japan (40%), over half of employees observed behavior they believed constituted misconduct in the past year. At the high end, 82% of respondents in Nigeria and 85% in Kenya said they saw misconduct in their workplace.
- Although changes were mostly minor in each country also surveyed in 2020 (ranging from one to five percentage points higher or lower), China saw a nine percentage point decrease from 66% to 57%, and France saw an eight percentage point increase from 55% to 63%.
- The North America region has the lowest median percentage of observed misconduct at 53%, while the Africa & Middle East region has the highest at 73%, a sizeable gap of 20 percentage points.
- The Europe region exhibits general consistency in observation rates among countries, spanning 11 percentage points from a low of 53% in Italy to a high of 64% in Spain.

Survey Year  
2022

Global Business Ethics Survey (GBES)  
Observed Misconduct





## KEY FINDING 4

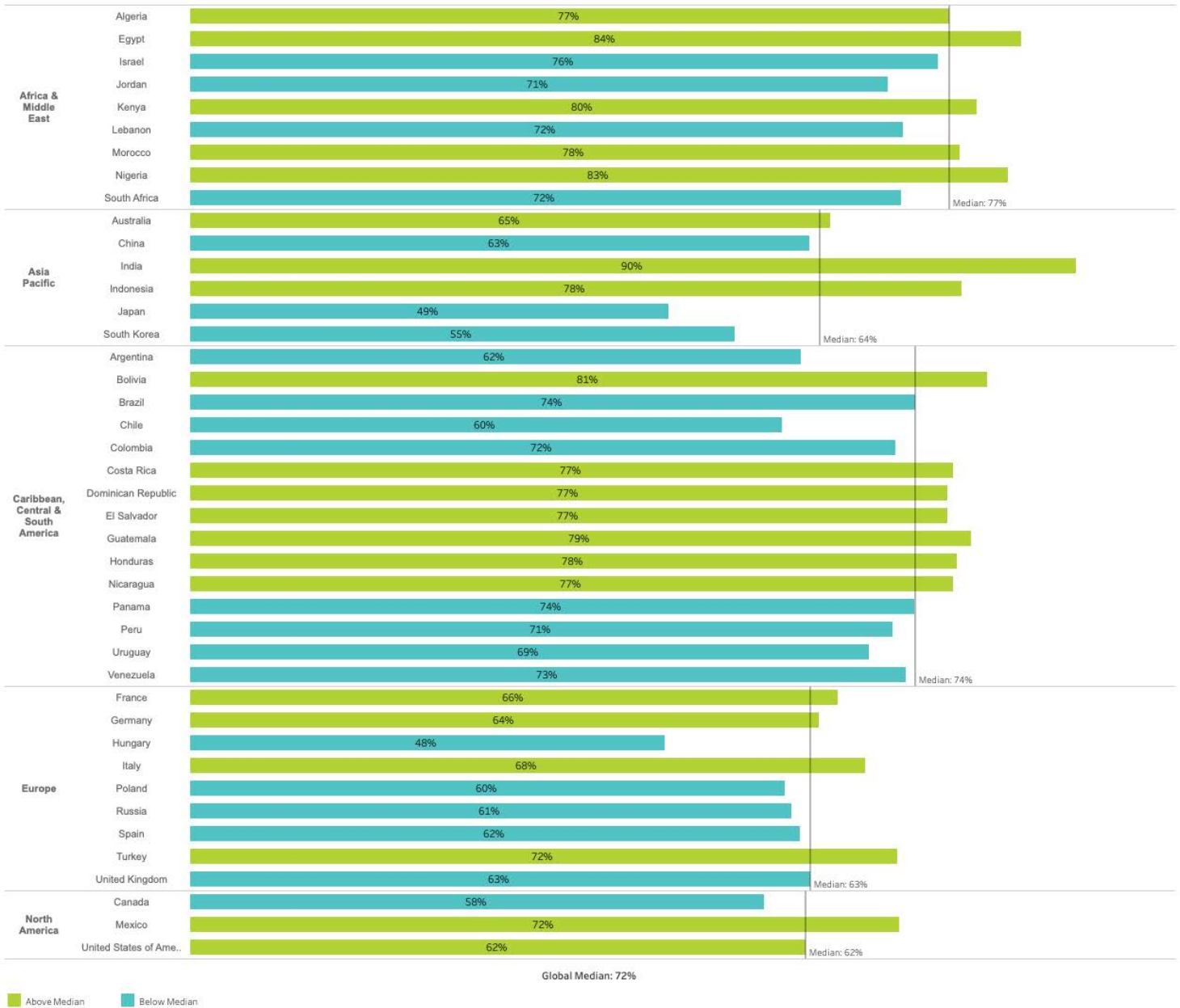
# REPORTING OF OBSERVED MISCONDUCT INCREASES

The reporting of misconduct is a key indicator of the strength and maturity level of an E&C program. A strong culture of reporting reduces the risks of wrongdoing, reputational harm, censure and financial penalties.

- The global median for reporting observed misconduct<sup>3</sup> rose somewhat, shifting four percentage points from 68% to 72%.
- Of the 10 countries measured in 2020 and 2022, China had the largest drop in reporting from 76% to 63%, followed by the United States from 71% to 62%.
- The Asia & Pacific region has an internal percentage gap of 41 percentage points, from the lowest reporting in the region, Japan (49%), to the highest reporting, India (90%). Meanwhile, the Africa & Middle East region (77%) is more consistent with a range of 13 percentage points from lowest-reporting Jordan (71%) to the highest-reporting Egypt (84%).

Survey Year  
2022

Global Business Ethics Survey (GBES)  
Reporting of Observed Misconduct



## KEY FINDING 5

# RETALIATION RATES REMAIN UNCHANGED FROM 2020

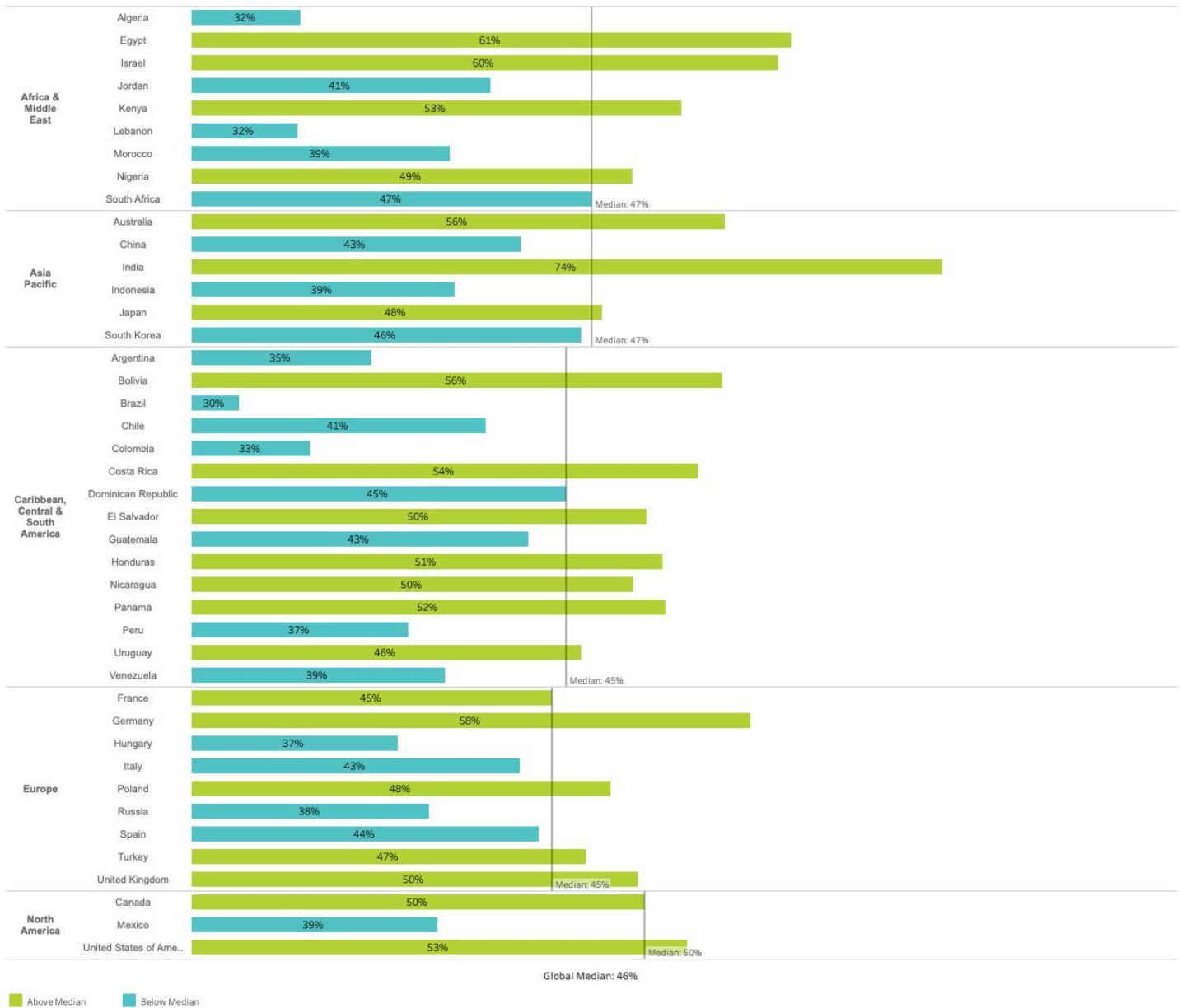
Retaliation, as perceived by employees when they report wrongdoing, is one of the most intractable obstacles to achieving higher reporting levels and reducing risk for an organization. A strong culture of preventing and investigating perceived retaliation is considered a best practice of E&C programs.

- The global median in retaliation<sup>4</sup> remains at 46% in 2022, the same as in 2020.
- The median retaliation rates among regions are similar, ranging from 45% to 50%. Within each region, there is a large contrast between the countries with the lowest and highest retaliation rates. The smallest gap is 14 percentage points in North America. The largest gap is 35 percentage points in the Asia & Pacific region between Indonesia (39%) and India (74%).
- Substantial changes appear in four of the 10 countries measured in 2020 and 2022. Rates in two countries fell, the United States dropped from 71% to 53%, and Brazil dropped from 42% to 30%. Perceived retaliation rates in two countries rose—retaliation in Russia increased from 30% to 38%, and in Germany from 45% to 58%.
- India has an exceptionally high retaliation rate, sitting at 74%, 13 percentage points higher than the second-highest country (Egypt at 61%), 28 percentage points more than the global median, and a staggering 44 percentage points higher than the lowest-rate-country Brazil (30%).

Survey Year

2022

Global Business Ethics Survey (GBES)  
Retaliation After Reporting Misconduct





# RECOMMENDATIONS

Workplaces globally are experiencing high levels of pressure to compromise ethics standards which is linked with higher rates of observed misconduct. The detrimental impact of the COVID-19 pandemic on the global economy persists, which appears to have kept the pressure on employees elevated along with a high rate of observed misconduct. Over one in four do not report observed misconduct, and of those who report, close to half perceive retaliation.

Below are ideas to consider for your workplace.

- **Focus on managers and particularly supervisors' behavior in efforts to reduce pressure.** Past ECI research reveals that the most prevalent forms of pressure to compromise workplace ethics standards are to meet performance goals, to feel pressure from one's supervisor and to keep one's job. Provide supervisors guidance and training on practices that achieve business objectives without compromising organizational standards. For example, some practices could include setting clear expectations and boundaries, providing means to communicate transparently, seeking input from employees, listening when they speak-up without prompting and giving employees tools for decision-making if they find themselves facing an uncertain situation.
- **Monitor retaliation rates among different countries within regions and develop country-specific plans keeping in mind country norms and the most prevalent types of retaliation within a country.** ECI research shows that most retaliation happens within three weeks of making a report, and that retaliation can simmer and manifest over the ensuing 12 months after its first occurrence, and even longer in some instances. Plans to address retaliation should consist of strategies that act to triage the first incident and that monitor and help to mitigate longer-term types of retaliation. Educate managers on what constitutes retaliation, in particular, raise their awareness that exclusionary behavior is the most perceived form of retaliation. Provide managers with techniques to maintain communication and engagement with employees who report a potential violation.

- **Encourage top management and supervisors to engage in behaviors that demonstrate a culture of integrity.** Select and develop behaviors and provide resources that are associated with more favorable ethics outcomes (i.e., reduced pressure, reduced wrongdoing, increased reporting and decreased retaliation). For example, higher levels of trust between employees and their managers are associated with higher rates of reporting observed misconduct. When top management and supervisors advocate for employees to speak up and communicate about ethics, employees perceive their organization to have a stronger ethical culture. Hold managers accountable for culture-building and set an expectation that they hold themselves and those they manage accountable for this effort.
- **Utilize ECI's [\*Principles and Practices of High-Quality Ethics & Compliance Programs\*](#) report to structure an E&C program's focus and efforts.** Consider assessing the E&C program through a) understanding the perspective of employees responsible for managing and operating the program and b) surveying employees to understand their perceptions of the organization's ethical culture, isolating where there are opportunities for improvement.
- **Develop or tap into internal and external groups and individuals responsible for a country or region to learn about conditions particular to the area if your organization operates multinationally.** As a group, share and follow best practices to strengthen ethical culture and produce more favorable E&C outcomes, or to augment other business efforts such as an effective ESG program.
- **Benchmark your organization or its units if it operates multinationally against the individual country benchmarks.** Use that information to help guide your organization in applying its attention and resources toward building culture and improving ethics outcomes.
- **Hold employees everywhere in your organization to conduct consistent with its E&C standards and policies.** Use multiple methods to achieve this objective. For example, ensure that the individuals in your organization who are responsible for interactions and communications between countries/regions (cultures) have an understanding of each culture's norms and ways of thinking

and are skilled at translating E&C concepts and standards between the different cultures into forms comprehensible to individuals in each culture.

## METHODOLOGY

The 2022/2023 GBES data collection took place between August 2022 and January 2023. Employees in 42 countries were surveyed, and 75,495 employee responses are included in the dataset.

Survey respondents were 18 years of age or older, currently employed at least 20 hours per week for a single employer and working for a company that employs at least two people.

Over the years, the data collection method has been modified as various third-party vendors have been secured by ECI to collect the data. Data for this survey were collected using an online panel. Data were weighted by age, gender, race/ethnicity and geographical region.

ECI established survey questions and sampling methodology; Ipsos America, Inc. managed data collection.

Country/Region	Number of Employee Respondents
Algeria	968
Egypt	961
Israel	977
Jordan	738
Kenya	991
Lebanon	532
Morocco	983
Nigeria	996
South Africa	994



<b>Africa &amp; Middle East</b>	<b>8140</b>
Australia	991
China	979
India	933
Indonesia	968
Japan	880
South Korea	974
<b>Asia Pacific</b>	<b>5725</b>
Argentina	993
Bolivia	1012
Brazil	988
Chile	1010
Colombia	989
Costa Rica	1010
Dominican Republic	1010
El Salvador	1010
Guatemala	1010
Honduras	1010
Nicaragua	1010
Panama	1010
Peru	1010
Uruguay	1010
Venezuela	1012
<b>Caribbean, Central &amp; South America</b>	<b>15094</b>
France	4851
Germany	4762

Hungary	4850
Italy	4830
Poland	4811
Russia	4829
Spain	4874
Turkey	930
United Kingdom	4902
<b>Europe</b>	<b>39639</b>
Canada	966
Mexico	993
United States	4938
<b>North America</b>	<b>6897</b>
<b>Total</b>	<b>75495</b>

## GBES FUNDERS

ECI's longitudinal research on workplace integrity provides insights for evidence-based decisions by corporate, academic and other institutions across the globe. Corporations, foundations and individuals invest in the work of ECI because they value the research it provides.

We are grateful for the generosity of our funders and appreciate their ongoing support. Without their investments in our research, ECI could not collect data from employees around the world and provide mission-critical reports for business leaders and the ethics & compliance community.

With your ongoing support, ECI will continue to sustain its longitudinal data collection while expanding its focus on special topics of interest to the ethics & compliance community.

Consider joining this illustrious group of funders to help ECI continue its research efforts. By joining this distinguished group of organizations, you will demonstrate an investment to your stakeholders, employees and customers. Additionally, it reinforces to the business community and the public at large an organizational commitment to ethics & compliance issues.

Your support provides the opportunity to expand our reach to serve others in meaningful ways. Let's continue to make this important research possible. Become a funder today!

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[www.ethics.org/donate](http://www.ethics.org/donate)

ECI would like to recognize KPMG for an additional contribution to collect data in 12 countries in Latin America.



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<sup>1</sup>The ECI Culture Strength Index determines ethical culture strength by combining survey items asking employees their view on the ethical behaviors and actions of top management, their supervisors and coworkers.

<sup>2</sup> The global median is based on 26 possible specific types of misconduct a respondent might have observed in the past 12 months. The 26 specific types of misconduct are grouped together for this analysis.

<sup>3</sup> The global median is based on the reporting of 26 possible specific types of misconduct, which are grouped together for this analysis.

<sup>4</sup> The global median is based on perceived retaliation from 26 possible specific types of misconduct that might have been observed and reported, which are grouped together for this analysis.

