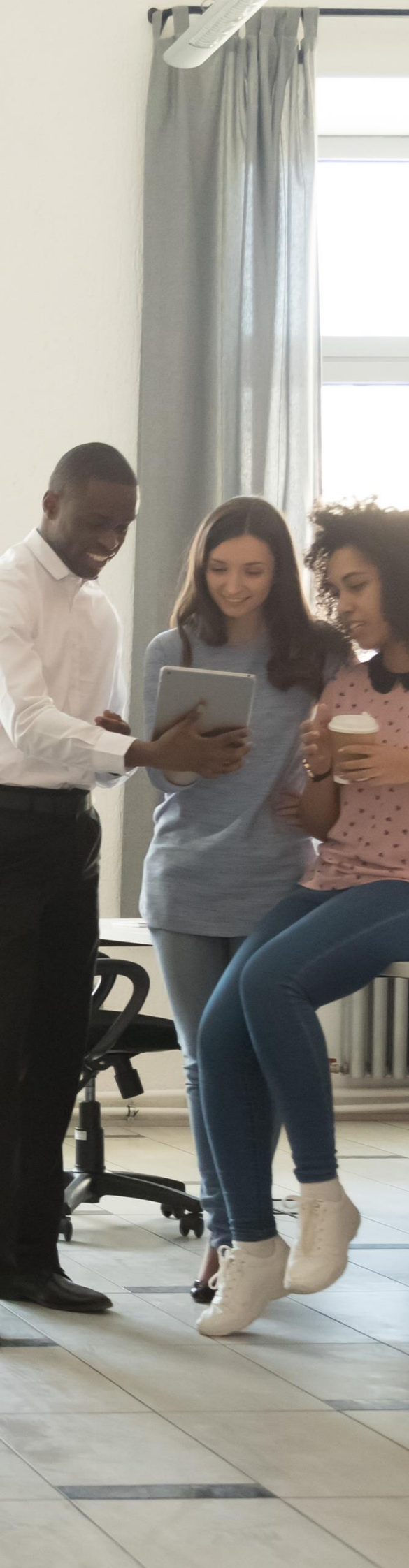


# Ethical culture at work

Is workplace culture  
changing for the better?

JULY 2021





# Introduction

As Warren Buffet once said, it is culture rather than the rule book that determines how an organisation behaves. Never has this been more apparent than in the past year when the pandemic compelled organisations to make difficult decisions quickly, often involving radical alterations to their operations. How this was done has been under considerable scrutiny. Saints and sinners hit the headlines as commentators praised those who behaved ethically and condemned those who did not.

Those with strong, ethical cultures, already accustomed to making decisions based on values and a desire to do the right thing, will have found this easier, and, as such, are likely to reap rewards once a more normal situation emerges. However, those with weaker ethical cultures may have resorted to unethical behaviour leading to possible reputational damage, poor employee morale and a loss of stakeholder trust.

Culture sets businesses apart by influencing decision making that can make or break reputations. High-profile coverage for poor corporate behaviour, such as sacking workers for raising concerns about safety; failing to pay those on zero-hours contracts; fraudulently claiming against government support schemes and paying dividends while seeking a government loan, would lead many to conclude that business ethics have deteriorated during the pandemic.

However, the results of our latest survey on employee perceptions of workplace culture, conducted during the pandemic, shows the opposite. This report examines those findings, analysing how worker perception of the different aspects of workplace culture has changed since our last report and the factors behind this.

# Ethical culture survey

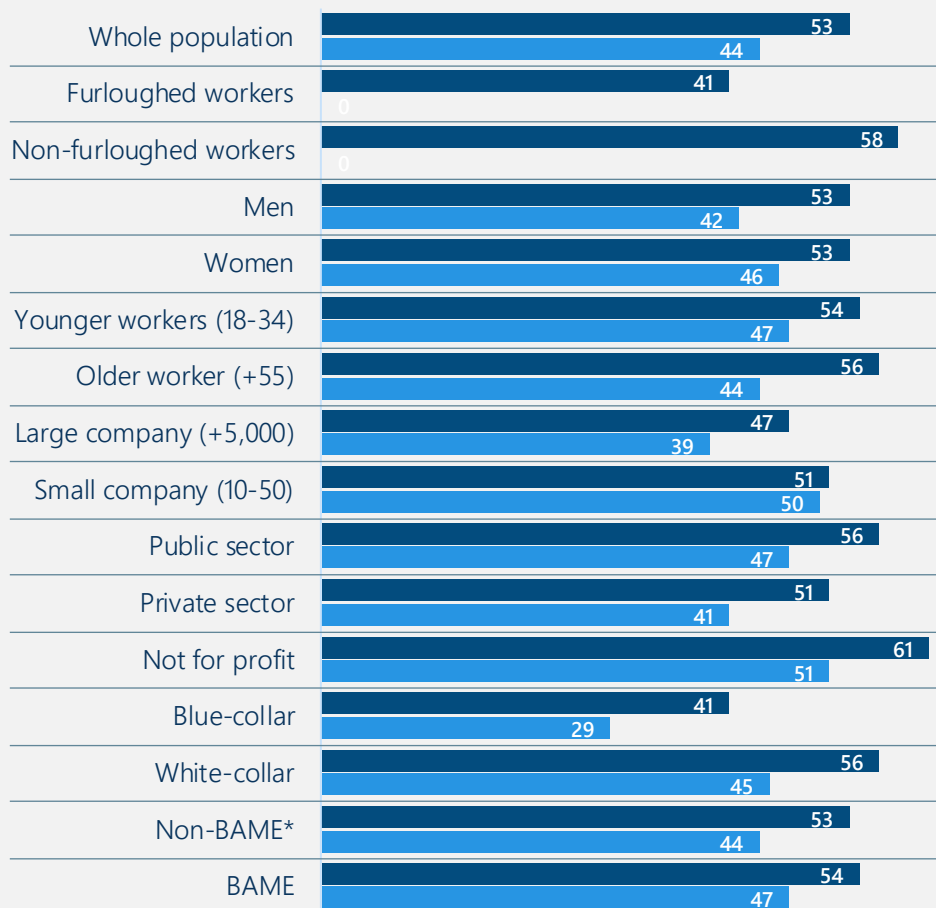
## Methodology and analysis

Culture is often perceived as an intangible asset that is hard to assess. Using its 20 years of experience in evaluating business behaviour, GoodCorporation has been able to identify the key drivers that determine ethical behaviour and should underpin the culture of any organisation. These drivers can be evaluated both qualitatively and quantitatively to provide a tangible measurement of organisational culture that goes beyond tick-box reporting and satisfies UK reporting requirements on corporate culture.

To understand how UK workers feel about the ethical culture in their place of work and create a benchmark against which organisational culture can be measured, GoodCorporation has now conducted two nationwide surveys of UK workplace culture. The first, conducted in 2017 and published in 2018, found that three fifths of workers thought their organisation had a strong ethical culture and were proud to tell people who they worked for. The second, conducted last year, reveals an overall improvement in perceptions of culture in all the key indicators bar one, which remained static.

Two thousand employees across all levels of seniority and from a representative sample of the British workforce were surveyed. The questions covered a range of issues linked to the treatment of stakeholders, based on GoodCorporation's 10 drivers and 26 indicators of ethical corporate culture. All were answered using a five-point scale. The analysis below aggregates the two positive responses (strongly agree and agree) and contrasts them with the two negative responses (strongly disagree and disagree), to create a net score.

Net ethical culture score per group (%)



Once again, we have calculated a **net ethical culture score (NEC)** for UK businesses as a whole.

With a net agree score of +65 and a net disagree score of -12, we reach a **net ethical culture score** of

**+53**

up significantly from 44 in 2017.

# Key findings

In the UK, employee perception of workplace culture has improved since our last survey. Not only is there a notable increase in the NEC score, every indicator bar one (handling complaints) recorded an improvement in perception with the result that almost two thirds of UK workers (65%) now agree that their organisation has a strong ethical culture, up from three fifths in 2017. This suggests that there has been an overall improvement in the perception of business ethics during the pandemic, despite the negative press stories that might suggest otherwise.

There is, however, a seniority gap, with senior managers and above tending to have far more positive perceptions of the culture indicators than their nonmanagerial counterparts. Semiskilled and unskilled workers in particular have the most negative impressions of our culture indicators.

Only **50%** of workers believe their managers would not bend the rules to get a job done.

This was the case in our previous survey but has been exacerbated by the pandemic with many such workers finding themselves on the front line or subject to working conditions that many considered unsafe. Indeed, the NEC score for blue-collar workers of +41 is far lower than that of their white-collar counterparts at +56. Such a sizeable gap in culture perception suggests there is more work to be done to embed good practices throughout organisations.

We have also seen a marked shift in the perception of workers in larger organisations (+1,000 employees). In our first survey, fewer workers in large organisations agreed with our ethical culture statements than the average for almost every indicator,

and noticeably, less than their colleagues in small organisations (fewer than 50 workers). This situation has almost completely reversed. Our latest findings show that perceptions of workers in large organisations are equal to or above the average in 20 of the 28 indicators and are higher than the perceptions of workers in smaller companies in all but 4 indicators.

One possible reason for this is that employees in larger organisations have benefitted from the relative stability and security of being in larger firms during the pandemic, while employees working in smaller firms have felt more vulnerable. It will be important to keep these findings under review to see whether this is a permanent shift in ethical culture perception between large and small organisations, or one driven by the substantial changes in working practices caused by COVID-19.

Looking more widely at how an organisation treats its stakeholders produced some encouraging findings, with a statistically significant increase in the number of workers agreeing that customers, clients, contractors and suppliers are all treated well. How an organisation treats its stakeholders is a real indication of culture, so this consistent improvement in employees' perceptions is welcome.

# 65%

almost two thirds of UK workers now agree that their organisation has a strong ethical culture

Moving forward, organisations looking to embed strong ethical cultures must avoid any backsliding to ensure this positive perception is maintained and improved.

There are, however, some causes for concern. While trust in managers to do the right thing has improved and more workers agree that senior management really believe in doing the right thing (61% versus 50% in 2017), the survey still found that only 50% of workers believe their managers would not bend the rules to get a job done.

We also found that BAME workers are far less likely to feel they are treated with respect than those from British, European or other white backgrounds. This appears at odds with the perceived commitment of companies to create a diverse and inclusive workplace.

**Black, Asian and minority ethnic workers are far less likely to feel they are treated with respect** than those from British, European or other white backgrounds





## Overall culture

Employee perception of workplace culture has improved since 2017

My organisation has a strong ethical culture

**65% agree**  
↑ 6% (59% in 2017)

My organisation is setting an example in the way we conduct our business

**61% agree**  
↑ 8% (53% in 2017)

In a reversal of the 2017 findings, perception of workplace culture is higher in large organisations than small

**56%** small organisations vs **69%** large organisations

## Seniority Gap

Senior managers and above more likely to feel their organisation has an ethical culture than blue-collar workers

**54%** blue-collar workers vs **72%** white-collar workers



## Treatment of stakeholders

Workers think their organisation believes treating people fairly is as important as profit

**62% agree**  
↑ 8% (54% in 2017)

Workers are more likely to feel appreciated for the work they do

**61% agree**  
↑ 6% (55% in 2017)

Workers feel their organisation values opinions and seeks the views of other

**61% agree**  
↑ 7% (54% in 2017)

Over **two-thirds** of workers feel treated with respect, but this varies by stakeholder group

**75%** white-collar workers vs **58%** blue-collar workers

**71%** white British/European/other white vs **63%** BAME workers



## Role of senior management

Senior managers believe in doing the right thing in the way we operate

**61% agree**  
↑ 11% (50% in 2017)

Managers would not bend the rules to get a job done

**50% agree**  
↑ 7% (43% in 2017)



## Training and development

Perceptions of training and development have improved

The organisation takes my training and development needs seriously

**60% agree**  
↑ 7% (53% in 2017)

I can grow and develop within my organisation

**53% agree**  
↑ 6% (47% in 2017)



## Wellbeing

Workers agree that health and wellbeing are taken seriously by their organisation

**66% agree**  
↑ 9% (57% in 2017)

But only **36%** believe their employer will provide adequate mental health support as we come out of the pandemic crisis.



## Raising concerns

Confidence that concerns raised would be fairly dealt with has improved

**62% agree**  
↑ 7% (55% in 2017)

Staff feel more protected if they raise concerns than previously

**59% agree**  
↑ 7% (52% in 2017)

# Improvement in perceptions of workplace culture and tone from the top

Almost two thirds of UK workers (65%) think their organisation has a strong ethical culture (up from three fifths in 2017) and 62% are proud to tell people who they work for, a small increase of two percentage points on the previous report.



Interestingly, it is workers in medium-sized to larger organisations who are more likely to think their company has a strong ethical culture than those in organisations (69% in large organisations, 56% in smaller organisations and 71% in companies with 250-1,000 employees). This is a major change from 2017 where small companies outperformed their larger counterparts on almost every indicator. The findings in this survey suggest that situation has been reversed, with some improvement in worker perception in larger organisations for almost every key ethical culture indicator.

This is particularly true when it comes to feeling proud of your place of work. In 2017, 70% of those in smaller organisations (with fewer than 50 employees) felt proud, falling to 60% in 2020, whereas the number feeling proud to say who they work for has risen by ten percentage points in larger organisations (over 1,000 employees) from 55% to 65%.

Not surprisingly perhaps, there is a marked difference in perception between those on furlough and those still working normal hours,

particularly when it comes to feeling proud of the organisation for which they work. For those working normal hours 67% felt proud of their place of work compared to just 49% for those on furlough. This is evident throughout the survey with furloughed workers feeling less positive about their organisations in two-thirds of the questions, confirming that the impact of the pandemic on our working lives has influenced worker perceptions about workplace culture. This is borne out by the NEC score for furloughed and non-furloughed workers, with the NEC for furloughed workers at +41 compared to +58 for non-furloughed staff.

In any organisation, it is senior management that sets the tone, so it is encouraging to see that there is more trust in managers to do the right thing (63% agree versus 59% agree in 2017). It is also felt that they are less likely to bend the rules to get things done than was the case in the previous survey.

However, while fewer people believe their manager would bend the rules to get a job done (down from 27% to 19%), it is still a concern that only

50% of UK workers think their managers would not bend the rules in this way, with many sitting on the fence.

The not-for-profit and public sectors are considered most trustworthy in this regard (70% and 67% respectively trust managers to do the right thing), which is statistically better than in the private sector where only 60% trust managers in this way. It was also interesting to note that 65% of those working from home trust their manager to do the right thing, which is a statistically significant difference from those working largely from the workplace, where only 59% have the same levels of trust. Again, this shows the impact of the pandemic on perceptions of workplace culture as many of those required to attend their place of work felt vulnerable and, as such, may have more negative impressions of management.

# Doing the right thing

A strong, ethical culture can only be driven from the top of the organisation. Any business seeking to embed a strong ethical culture needs to ensure that senior management are the leading advocates. Our survey found that faith in senior management to follow the right path has improved, with over 60% now feeling that senior management really believe in doing the right thing (up from 50% in 2017).

This improvement was particularly marked in large organisations where the number of workers agreeing that senior management really believe in doing the right thing rose from 43% to 60%. We also found that 61% of workers feel their organisation exemplifies good corporate conduct compared to 53% two years ago. Top performers at 68% are medium to large organisations (250-1,000 employees), compared to small organisations (1-49 employees), where just 56% of workers feel their organisations led by example.

Setting the right standards of behaviour begins internally. Organisations with strong ethical cultures have clear and well-communicated management expectations or codes of conduct which make the required standards of behaviour explicit. It is therefore welcome to see that 73% of workers feel they have clear guidance on what is expected in terms of doing the right thing (up from 70%).

Again, this is a particularly strong area for larger organisations where 80% of workers feel that expectations of conduct are explicit versus only 64% in smaller organisations. This is also higher in the public and not-for-profit sectors (76% and 81% respectively) than the private sector (70%).

An ethical company culture will also ensure that staff are supported to do the right thing. This is an area that has improved since the last survey with 70% of workers now feeling they would be supported to do the right thing, up from 66% previously.

Positive perceptions are higher in the public and not-for-profit sectors (73% and 77% respectively) versus 66% in the private sector. This improvement in support to do the right thing is reflected in the work GoodCorporation is doing. Over the past two years, we have seen a substantial increase in demand for both code of conduct reviews and ethics training. Developing a good code of conduct that sets out management expectations of behaviour very clearly and rolling this out through an effective company-wide training programme are the building blocks for supporting staff to do the right thing.

I am expected and feel supported to do the right thing at work

70% yes  
10% no



Our organisation is setting an example for others in the way we conduct business

61% yes  
12% no



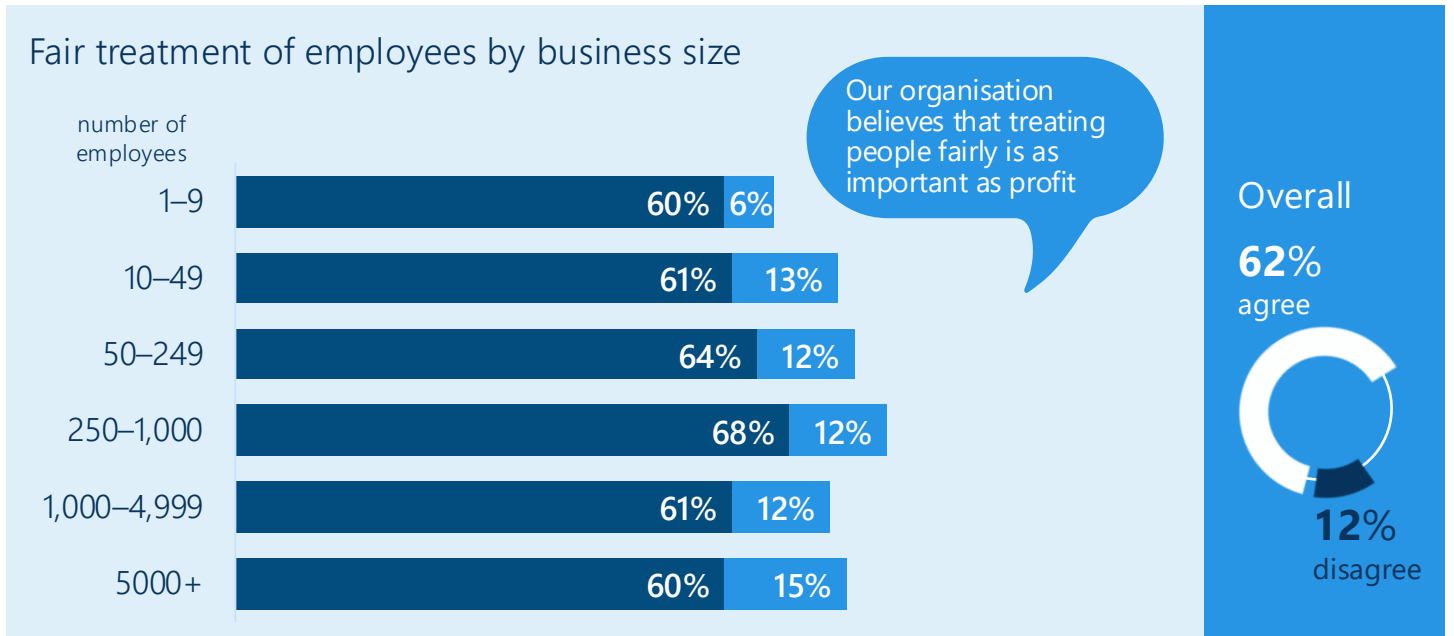
We have clear guidance on what is expected of us in terms of good ethical behaviour

73% yes  
8% no



# Fair treatment of employees

How an organisation treats its employees provides strong insight into corporate culture. Most organisations acknowledge this to a greater or lesser extent, conducting employee surveys and exit interviews to gauge levels of employee satisfaction.

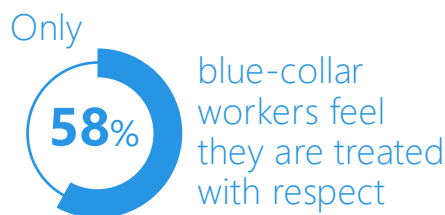


While there is clearly value in employee surveys, it is important to consider a range of employee issues when evaluating workplace culture and the treatment of stakeholders. These issues include trust, training, health and safety, diversity, raising concerns, as well as the fair treatment of all stakeholders. Companies wishing to build and embed an ethical corporate culture need to understand the importance of these issues, conducting regular monitoring of stakeholder perceptions so that any problems can be addressed as and when they arise.

While the majority of indicators covered by the survey showed improvement, a number of concerns remain in key areas and sectors of the workforce.

Overall, the majority of UK workers feel they are treated with respect (71%), up from 68% in the previous survey. Workers in large companies (1,000-4,999 employees) are the

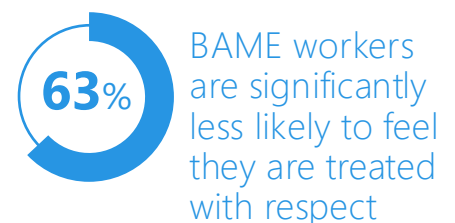
most likely to feel respected in the workplace (76%) which represents an appreciable increase from 63% in 2017.



There is, however, a worrying disparity in the perceptions of white-collar and blue-collar workers when it comes to feeling respected. Only 58% of blue-collar workers feel they are respected, compared to 75% of their white-collar counterparts. Although there is some improvement among blue-collar workers (up from 52% in 2017), it should be seen as a cause for concern that far fewer blue-collar workers feel respected in the workplace than their white-collar counterparts. The pandemic has highlighted the divide between those who can work from home and

those who can't, effectively placing those unable to work from home at far greater risk, particularly during the early days of the pandemic. This is likely to have contributed to the low scores for this section of the workforce.

Similarly, the survey also found that BAME workers are significantly less likely to feel they are treated with respect (63%) than those from British/European/ Other White backgrounds (71%). Here too the pandemic may have had an influence on the responses, as many workers from BAME communities are employed in positions considered to be on the COVID frontline.



For the first time, the survey asked employees if they felt their workplace was committed to creating a diverse and inclusive culture. Overall, two thirds agreed their organisation was committed to this goal. However, the response varied considerably depending on the size of organisation. Only 53% of those in small organisations felt their place of work was committed to this goal, compared to three quarters of those in large organisations.

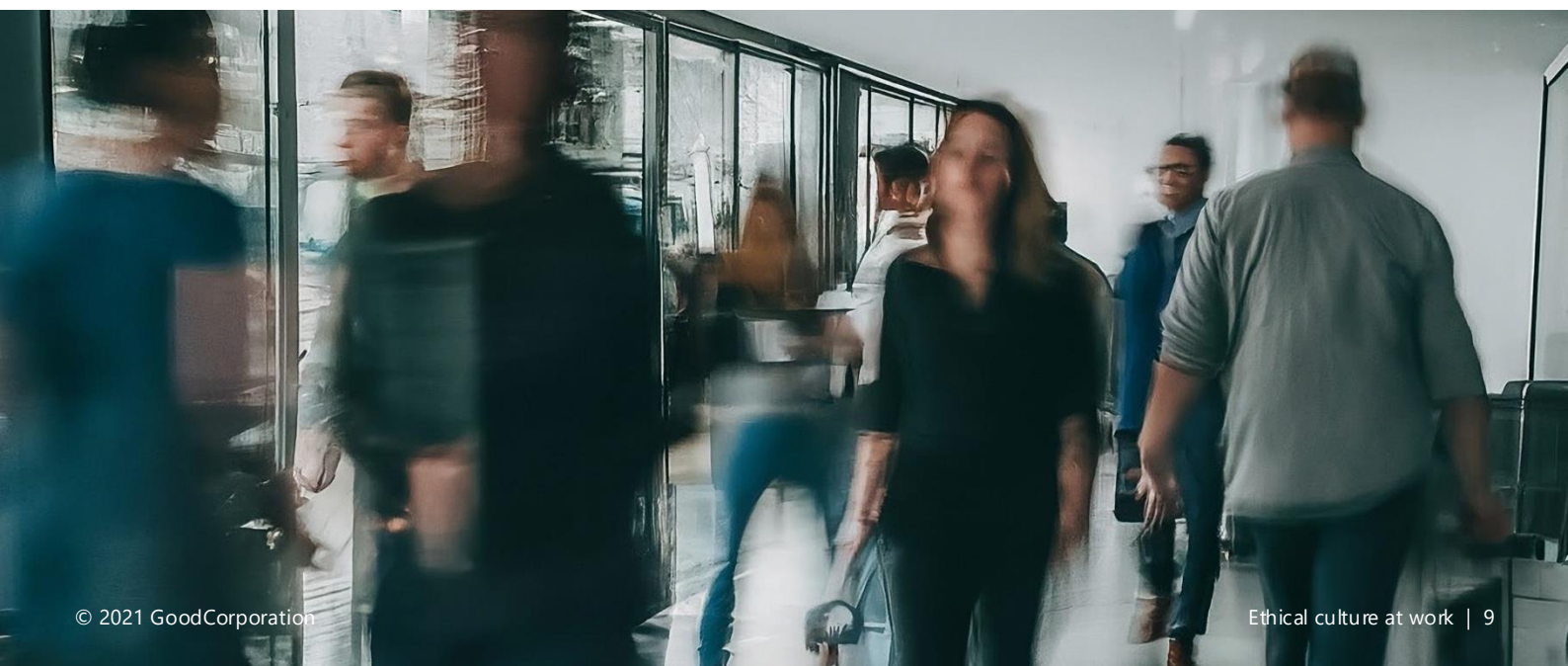
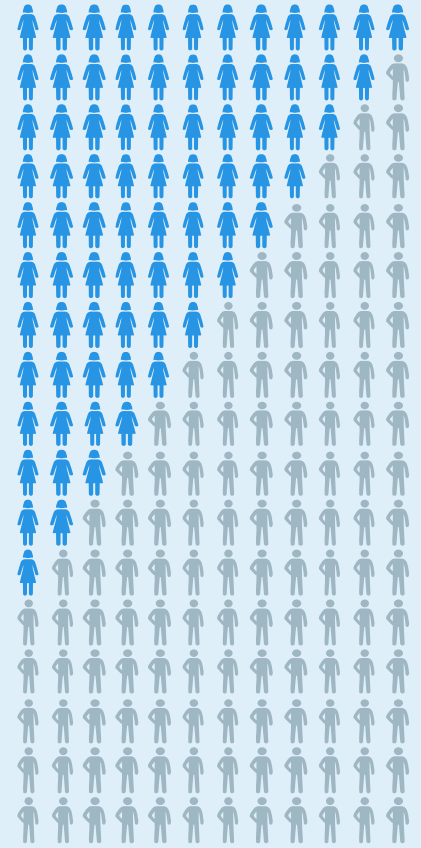
We also see the private sector lagging behind the public and not-for-profit sectors in this area, with just 62% of private sector workers believing their organisations are committed to diversity and inclusion compared to 71% in the public sector and 70% in the not-for-profit sector. Diversity and inclusion are essential to building a strong workplace culture, it is vital, therefore, to listen to and learn from those who feel their organisation is not committed to diversity and inclusion. Any organisation in this category should consider how this might be addressed.

These findings around diversity should be seen as a call to action for employers. Diversity and inclusion have been on the agenda for some time. While there have been moves to address gender diversity on boards, with women now holding a third of board positions in the UK's top public companies, too many boards address gender diversity by appointing a female non-executive director. This is no substitute for creating pathways within organisations that enable women and those from different minority groups to progress through the management ranks and onto the board.

More needs to be done to address wider diversity and inclusion issues.

Some businesses are beginning to do this through target setting, but there needs to be active change management to get there. Companies should be undertaking wholesale reviews of recruitment, considering potential barriers to advancement, offering carefully thought through, effective and targeted training, and providing mentoring and support.

## Women now hold a third of board positions in the UK's top public companies



# Value and appreciation

Whether workers feel valued and appreciated are important indicators of a good and positive corporate culture and here too there is considerable room for improvement. Just 61% of workers feel appreciated and that their opinions are valued. This is up from 2017, when a little over half felt appreciated and their opinions valued. Nevertheless, just under one fifth of workers (18%) still feel under-appreciated for the work they do.



of workers still feel under-appreciated for the work they do.



# Training and development

From our assessment work, we know that organisations with good, ethical cultures are strongly committed to staff development. Our survey found that just over half of employees feel they can grow within their organisation (53%), with a fifth feeling they cannot (19%). While this is a substantial improvement from 2017 (where it was 47% and 26% respectively) it is disappointing to see that only a little over half the workforce feel they have opportunities to grow within their organisations.

I feel that I can grow and develop with this organisation

53% yes  
19% no



The organisation takes my training and development needs seriously

60% yes  
15% no



Younger workers are more likely to feel they can grow within their organisations than older workers (58% versus 43%) but this would be expected as young people naturally have a larger scope for growth ahead of them.

There is also a substantial difference between the views of those in large and small companies in 2020 (47% in smaller organisations versus 55% in large). And not surprisingly, there was also a stark difference in the views of furloughed and non-furloughed workers with 58% of non-furloughed workers feeling they can grow compared to only 43% of those on furlough.

Once again, the findings from the public sector were more positive than from the private sector,

regarding prospects for growth (58% versus 50%). The findings from the public sector have become more positive since 2017 (up from 51%), whilst those from the private sector have changed very little.

Just over half of those surveyed feel they can grow within their organisation. When it comes to training and development, 60% agree that their organisation takes their training needs seriously, although 14% disagree. This is an improvement from 2017 when only 53% agreed and 20% disagreed. Perceptions on whether organisations take training and development seriously vary depending on the size of organisation, once again reversing the findings from our earlier survey.

In 2017, perceptions about training were most positive in micro-organisations (under 10 employees), where 61% felt positive, and most negative in large organisations (+1,000 employees) where only 51% were positive. These findings were reversed in 2020, with 60% of those in large companies happy with their training and development, versus only 50% in the smallest companies.



# Wellbeing and safety

Health, wellbeing and safety should be of paramount importance for any organisation and never has this been more critical than over the past 12 months. Workers agree that their health and wellbeing are taken very seriously by their organisation (66%) with only 12% who disagreeing. This is a marked improvement from 2017 when only 57% agreed and 20% disagreed, perhaps explained by employers generally falling in line with government advice on COVID-19 safety.



Once again, the public sector outperforms the private sector (69% versus 63%). And interestingly a higher percentage of older workers (71%) feel their health and wellbeing are taken seriously than younger workers (64%), which may reflect a focus of effort on protecting older workers from COVID-19.

However, it is worrying that only a little over a third of employees (36%) believe that their employer will provide adequate mental health support for staff as we come out of the crisis.



believe that their employer will provide adequate mental health support for staff as workplaces adapt to dealing with the pandemic

Manual workers in particular feel that any mental health needs will go unsupported, with just 13% feeling that this will be adequate. This contrasts with middle management or above where over 40% feel that mental health support will be at the required level. Women are also less likely to feel that they will receive sufficient mental health support than their male counterparts (31% versus 39% for men).

Workplace safety has long been under the spotlight with many changes over the years to ensure that the workforce is properly protected, and in particular during the pandemic. It is not surprising therefore, that safety was one of the highest scoring culture indicators, with 73% agreeing that safety is taken very seriously at work.

This is an improvement from 68% in 2017. However, the difference in perceptions on safety should be noted, with only 66% of blue-collar workers agreeing safety is taken seriously compared to 76% for those in clerical, managerial or senior management roles.

# Treatment of stakeholders

With organisations under increasing pressure to account for their impact on all stakeholders, any assessment of culture should examine how all key stakeholders are treated. The 2020 survey found that appreciably more workers think their organisation believes treating people fairly is at least as important as profit (up to 62% from 54%).

There have also been notable improvements in how organisations are perceived to treat customers, clients, contractors and suppliers, with the biggest improvement seen in how an organisation values and treats contractors and suppliers, up from 56% agreeing in 2017 to 66% agreeing in 2020.

Indeed, the highest scoring culture indicator relates to the treatment of customers, with 77% agreeing that their organisation treats customers well. Seventy per cent agree that their organisation takes complaints from customers seriously; this is unchanged from the previous survey.

It is also encouraging to see more workers agreeing that their organisation cares about its impact on the community and environment in which it operates, up from 57% agreeing in 2017 to 64% in 2020.

This improved perception of stakeholder treatment is in line with the latest thinking on corporate conduct.

In recent years, we have seen a growing recognition of the need for businesses to take account of their impact on all today's value-minded executives, creating value cannot be limited to simply maximizing

today's share price. Rather, the evidence stakeholders. This was strongly articulated by the US Business Roundtable in 2019 when it

moved away from the notion of shareholder primacy in favour of a commitment to all stakeholders. Last year the British Academy published its Principles for a Purposeful Business which called for

a greater partnership between business and stakeholders with an emphasis on the need for corporate purpose to be aligned to public interests and societal goals. As Marc Goedhart and Tim Koller state in the McKinsey report The value of value creation, "For today's value-minded executives creative value cannot be limited to simply maximising today's share price. Rather, the evidence points to a better objective: maximizing a company's value to its shareholders, now and in the future".

This is also reflected in the investment community where the continued growth in ESG investing is leading to increased pressure from investors for verifiable evidence to show how a business takes account of its impact on all stakeholder groups and the mitigation measures employed to reduce any adverse effects.

We treat customers well

77% yes  
5% no



Customer/client satisfaction is at least as important as profit

67% yes  
9% no



We value our contractors and suppliers and treat them well

66% yes  
8% no



The organisation cares about its impact on the community and environment.

64% yes  
12% no



For the organisation treating people fairly is at least as important as profit

62% yes  
13% no



# Behaviour and concerns

One of the best indicators of a strong ethical culture is the extent to which staff feel able to raise concerns. It is encouraging, therefore, to see an increase in the number of workers feeling comfortable about raising an issue of poor or unethical behaviour – up from 59% in 2017 to 64% in 2020. The rise in the numbers feeling that concerns would be dealt with fairly (up from 55% to 62%) and that staff would be protected if they raised a concern (up from 52% to 59%) is also a sign that organisations are recognising the need to implement good speak-up systems.

This chimes with our recent review of whistleblowing best practices which found that many organisations have recently or are currently re-evaluating their whistleblowing programmes. Among the changes being made is a move towards softer, more reassuring language in whistleblowing policies and communications, often moving away from the term whistleblowing altogether in favour of language such as 'speak-up' 'raise concerns', or 'ask questions'.

This reflects a growing recognition that effective speak-up can provide an invaluable early-warning system, alerting management to actual or potential misconduct in time to prevent a wider scandal.

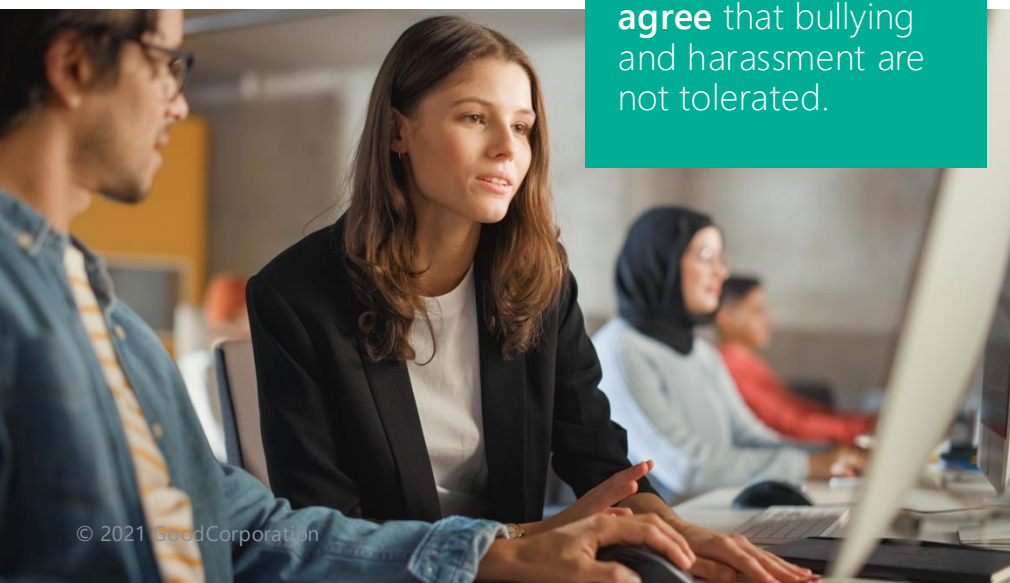
The improvement in perception that concerns would be fairly dealt with and that staff who raised them would be properly protected is particularly welcome. Too often in our assessment work we hear from workers who have spoken out only to face retaliation from their

employers, be it open hostility or more subtle forms of discrimination. This approach is counterproductive. Organisations that successfully implement an open-door culture will strengthen the relationship and trust between management and staff, leading to greater motivation for staff, who feel valued and listened to, and improved risk management.

Like whistleblowing, bullying and harassment in the workplace still hit the headlines.

While our survey found that more workers feel that such behaviour is not tolerated in their organisations (up from 67% in 2017 to 70% in 2020), it is notable that younger workers are less likely to agree with this statement (67%) than their older colleagues (75% of over 55s agree). Unskilled manual workers are the least likely to agree, with only 55% feeling that bullying and harassment are not tolerated.

**Younger workers are less likely to agree that bullying and harassment are not tolerated.**



I would be protected by the organisation if I raised a concern

59% yes  
12% no



Poor behaviour is properly dealt with

58% yes  
15% no



I feel confident that anything I raised would be dealt with fairly

62% yes  
13% no



Bullying and harassment are not tolerated in my workplace

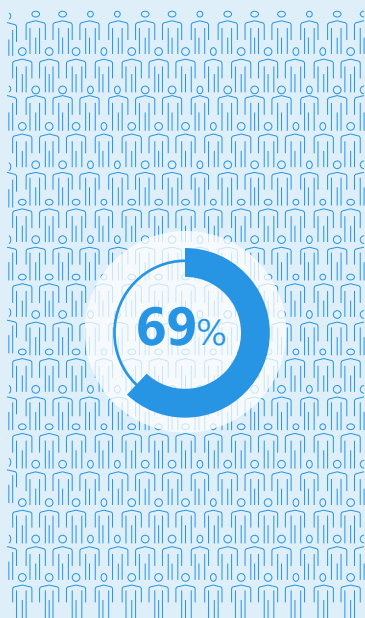
70% yes  
9% no



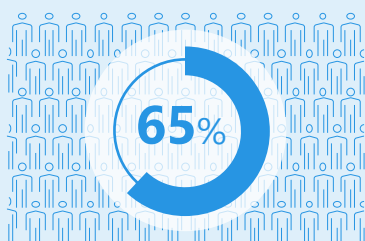
# Small versus large

As with our previous survey, there were marked differences in perceptions depending on the size of the organisation. However, contrary to the findings of the first report, it is workers in larger organisations (+1,000 employees) who are more likely to feel that their company has a strong ethical culture (69%). This compares to only 60% of those in small enterprises (below 50 employees). This is a reversal of the position in 2017 where 65% of staff in small organisations perceived a strong ethical culture compared to just 56% in organisations with over 1,000 employees.

Employees that feel that their company has a strong ethical culture



in larger organisations  
1,000+ employees



in smaller organisations

This reversal was replicated in almost all the findings and across a range of culture indicators. In 2017, almost 60% of those in small organisations felt they could trust their managers to do the right thing versus 54.5% of those in large entities. By 2020 over 65% of those in large organisations had trust in their managers compared to just 55.5% of those in smaller enterprises. Fewer people in small organisations would feel protected if raising a concern in 2020 than in 2017 (down to 59% from 65%) whereas substantially more would feel protected in large entities in 2020, up from 43% in 2017 to 57%.

Bullying and harassment showed a startling change in perception by size of organisation. This was particularly evident in micro- organisations (1-9 employees) where 83% of workers believed this would not be tolerated in 2017 falling to 67% in 2020. Large organisations, however, showed a strong improvement, with 70% of workers agreeing this would not be tolerated, up from 65% in 2017. This could be a result of the MeToo campaign which has raised the profile of bullying and harassment in the workplace considerably.

This has resulted in many organisations, particularly those with more resources and larger budgets at their disposal, reviewing their practices and procedures, to ensure

best practice is being followed. In recent years, some companies have been embarrassed by adverse headlines regarding their internal culture, which has led others to ensure they do not suffer the same fate. This trend has been evident in much of the work we have been doing over the past two years.

The survey also found that more workers in large organisations now believe they have the opportunity to grow and develop (up from 43% to 55%) whereas this perception has declined in small enterprises with only 47% feeling they can grow and develop (down from 54%).

While the survey findings show that more workers in large organisations feel they and other stakeholders are being treated well, it is important to note that the survey was conducted during the pandemic. Evidence suggests that smaller organisations are likely to be less resilient to the negative impacts of COVID-19 than their larger counterparts.

For many, the effort just to survive will have been considerable. As such, workers in smaller organisations may be more likely to feel vulnerable and less positive about their employers. However, workers in larger organisations may feel more protected, secure and consequently positive about their place of work.



# Conclusion

Corporate culture has been under the spotlight in recent years as businesses have been forced to address a variety of issues, from bullying and harassment and diversity and inclusion to human rights abuses and the treatment of whistleblowers.

While it is encouraging to see an improvement in worker perception of all the culture indicators tested in the survey bar one, which remained static, there are, we believe, **two possible explanations for this improved perception.**

**1** On the one hand, we know from our assessment work that many organisations have been reviewing their codes of conduct, ethics training and whistleblowing provisions, all of which are critical to embedding a strong and ethical workplace culture. So clearly efforts are being made to address some of the negative perceptions around workplace culture, both in the UK and entities overseas.

As the report states, there is also growing pressure from investors for companies to identify and manage their environmental, social and governance (ESG) parameters. Evidence that effective and

sustainable measures are in place is increasingly necessary to enable companies to demonstrate that any adverse impacts resulting from their business operations are being mitigated. Hopefully organisations that have embarked upon this route are seeing the benefits of improved relations with all stakeholders and will continue their efforts.

**2** On the other, we know that COVID-19 has had a seismic impact on our workplaces and the economy as a whole, which is sure to be driving some of the results. In particular, this could be behind the deterioration in perception of workplace culture in small organisations. It could also be influencing the perception of unskilled workers who are, in the main, more negative about their workplaces now than in 2017. Given the media accounts of unsafe workplaces, lack of PPE and failures to implement social distancing, this is far from surprising.

We can also see that the need to place some workers on furlough has had an impact. Those who remained in work during the earliest phase of the pandemic generally felt more positive about workplace culture than those on furlough. This could suggest a strong sense of job appreciation and a predisposition towards employers for maintaining the status quo.

Consequently, it would be unwise to conclude that there has been a significant and lasting improvement

in workplace culture over the past two years.

Instead it would be prudent to consider that the pandemic has contributed to a more positive perception of the workplace among those who remained in full-time work over the pandemic.

As such, organisations should take care not to relax their efforts to measure, manage and improve workplace culture, assuming that all is moving in the right direction. While the overall message is more positive, there is still room for improvement. The survey does reveal some important areas that require attention, suggesting that more needs to be done to embed a strong, ethical culture more uniformly.

Reputation is a critical and valuable asset that organisations cannot afford to damage through misconduct. While codes of conduct and supporting policies and procedures clearly play a critical role in setting out what is expected, it is only by instilling an ethical culture across all areas of operation that an organisation can really be sure its operators will do the right thing and that reputation will be properly protected.

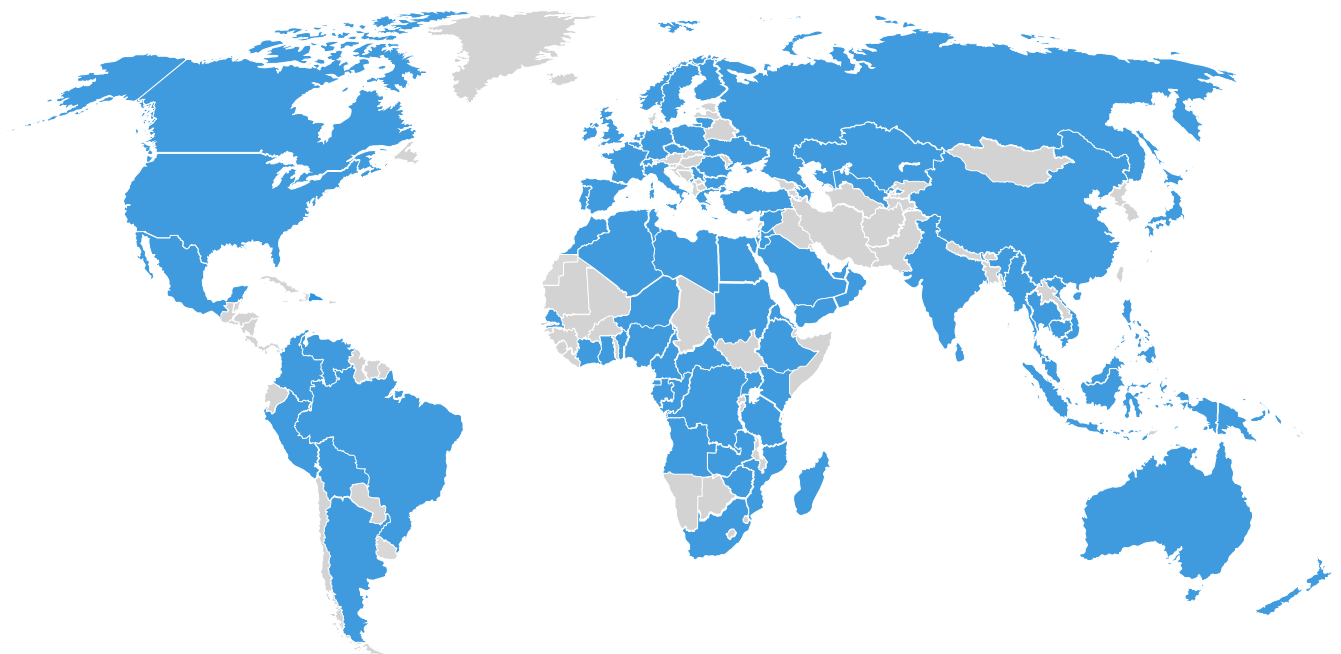
# About GoodCorporation

Recognised in the field of corporate responsibility and business ethics, GoodCorporation has 20 years' experience of checking and measuring corporate behaviour. We have conducted over 600 projects in over 80 countries for a range of clients including FTSE 100 and CAC 40 companies.

We offer a range of business ethics consultancy services to help our clients assess, design, build and embed effective ethics and compliance programmes. We ensure that the correct policies, procedures and systems are in place, tailored to the needs of each organisation.

We also provide opportunities to share best practice and thought leadership through our Business Ethics Debate Series at the House of Lords.

## Where we have worked



Algeria	Colombia	India	Mozambique	Saudi Arabia	Türkiye
Angola	Congo	Indonesia	Myanmar	Senegal	UAE
Argentina	Côte d'Ivoire	Ireland	Netherlands	Serbia	Uganda
Australia	Czechia	Israel	New Zealand	Singapore	UK
Azerbaijan	DR Congo	Italy	Niger	South Africa	Ukraine
Belgium	Dominican Republic	Japan	Nigeria	South Korea	USA
Benin	Egypt	Jordan	Norway	Spain	Uzbekistan
Bolivia	Equatorial Guinea	Kazakhstan	Oman	Sri Lanka	Vietnam
Brazil	Eritrea	Kenya	Papua New Guinea	Sudan	Venezuela
Brunei	Ethiopia	Libya	Peru	Sweden	Yemen
Bulgaria	France	Lithuania	Philippines	Switzerland	Zambia
Cambodia	Finland	Madagascar	Poland	Syria	Zimbabwe
Cameroon	Gabon	Malaysia	Portugal	Tanzania	
Canada	Germany	Malta	Qatar	Thailand	
Central African Rep.	Greece	Mexico	Romania	Trinidad & Tobago	
China	Gibraltar	Morocco	Russia	Tunisia	

***Ethical culture at work: Is workplace culture changing for the better?*** has been compiled by GoodCorporation, one of the leading practitioners in assessing and measuring responsible management practices. The paper analyses the findings from our survey of UK employees to assess perceptions of how well organisations treated stakeholders at the start of the Coronavirus outbreak.

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