



2008 GLOBAL Benchmarking Survey

Business Ethics

Volume 1

As business expands globally and employees increasingly find themselves working in locations outside their home countries it becomes ever more important that they have a clear understanding of the business ethics their companies expect them to adhere to. However, adhering to a company's policy can be challenging for those international assignees located in host countries where certain business practices that would be unacceptable in their own countries (e.g., giving and/or receiving of gifts) are not only acceptable but expected in the host location.

To explore what companies are doing in this area, Worldwide ERC® surveyed HR professionals at benchmarking sessions held

throughout 2007 in Asia (Shanghai), Europe (London) and the U.S. (Denver). One hundred fifteen professionals representing a cross-section of industries responded to the survey. Survey results show that business ethics is an area of high importance for most companies. The large majority (94 percent) of surveyed companies indicated that they had a written policy or statement regarding their organization's stance on business ethics and most (80 percent) have a person or department dedicated to ethics compliance.

Virtually all companies (99 percent) with ethics policies or statements ensure that their policy is communicated to international assignees and use a variety of methods to convey their positions. (See Figure 1.)

FIGURE 1.

How Business Ethics Position is Communicated to Assignees*

	All Respondents	Shanghai Respondents	London Respondents	Denver Respondents
Company's standard operating procedures statement	63%	64%	56%	70%
Included in a business ethics training program offered to assignees	51%	53%	53%	44%
Within the employee's assignment letter	28%	31%	29%	22%
Within the employee's letter of agreement or within a statement that the employee must read and sign	25%	25%	32%	15%
Within the international policy	20%	22%	24%	11%
Other	3%	3%	6%	3%

*Totals do not add to 100% due to multiple responses.



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Least common is including the ethics statement in the international policy—cited by only 20 percent of companies. Only somewhat more popular was placing the statement within the employee's letter of agreement that the employee had to read and sign (25 percent) or inserting the statement in the employee's assignment letter (28 percent).

Most frequently, companies place the business ethics statement within their standard operating procedures (63 percent of respondents). This approach was most often cited by U.S.-based respondents (70 percent). The next most popular practice was to include the company's position in a business ethics training program—offered by 51 percent of organizations. The training approach was more frequently used by respondents in Asia and Europe vs. those in the U.S.

Training can be a useful tool for not only informing employees of the policy, but also in helping them role play situations.

Depending on the host country, its culture and the situation, the answer to an ethics question may not always be straightforward so employees need to be advised of the best course of action that will yield an acceptable outcome for all parties.

We asked organizations that provide training if all employees were required to participate prior to leaving on international assignment. The majority of these organizations (86 percent) indicated that they require employees to take part in the training being offered. Another 2 percent specified that only certain employees were required to take the training and that it depended on the assignment location. The remaining 12 percent said that participation was voluntary.

Virtually all respondents providing ethics training (98 percent) did so using in-house resources vs. using an outside service provider.

To learn more about the challenges employees face while on assignment, see Worldwide ERC®'s on-line course, International Business Ethics, at http://www.erc.org/PERC_INTERNATIONAL/gms_catalogue.shtml. Developed by the International Business Ethics Institute, this one-hour course identifies the top 10 ethical challenges that employees assigned to another geographic region might face and examines how ethical challenges vary based on geographical region and are impacted by culture and history. It also suggests initial strategies for resolving ethical dilemmas.