

# Honesty and ethics not well explained by managers in New Zealand

November 10 2021

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The majority of employees in New Zealand are confident their organizations are honest and there is no misconduct at work, but their line managers don't always explain the importance of honesty and ethics

in the work they are leading.

These results are from "Ethics at Work," [an international report](#) led by the United Kingdom-based Institute of Business Ethics. The Te Herenga Waka—Victoria University of Wellington Brian Picot Chair in Ethical Leadership | Aritahi, held by Professor Karin Lasthuizen, is the New Zealand partner of the Institute of Business Ethics.

The Ethics at Work survey asks employees how they experience [ethical dilemmas](#) in their day-to-day working lives, looking at whether they have witnessed misconduct, whether they have reported it, and what stops them. It provides insights into what supports employees to do the right thing.

This 2021 survey of 10,000 employees in 13 countries provides facts and figures that give insights into employees' attitudes to views on workplace ethics. In New Zealand, 750 employees across industries and sectors were surveyed.

"These findings are key to help mitigate the risks that can lead to organizational failures, to improve the practice of [ethical leadership](#) and to lead New Zealand organizations towards sustainable business outcomes," says Professor Lasthuizen.

In the Ethics at Work index, New Zealand scores 81.2—higher than many European countries, but lower than neighbors Australia, as well as the United States, Switzerland, and South Africa.

This figure reflects staff perceptions of organizational culture across the following four aspects of ethics at work: the ability of line managers to set a good example of ethical business behavior; the ability of organizations to act responsibly in all their business dealings; the ability of senior management to take ethics seriously; and the ability of

organizations to hold people accountable when they break ethical rules.

While the vast majority of employees in New Zealand (86 percent) are confident honesty is practiced always or frequently in their organization, the report shows that only 61 percent of line managers for organizations in New Zealand explained the importance of honesty and ethics in the work they do—in comparison to a 65 percent global average.

However, more respondents than in the global average believe their senior management takes ethics seriously. Eighty percent also consider organizational engagement with external stakeholders is on the whole responsible and 71 percent say it lives up to its stated policy of social responsibility.

As this is the first report to be completed since 2018, it also included information about how the COVID-19 pandemic has been handled by employers.

"These findings, which show that 37 percent of respondents now have a higher opinion on how ethically their organization behaves, are in line with the global average. Only 6 percent say they have a poorer opinion of their organization, while 54 percent said their opinion remained the same," explains Professor Lasthuizen.

She thinks organizations have missed opportunities to encourage dialog and discussions about ethics internally, especially when it comes to creating a more open ethical culture and the ethical leadership role of line managers. A greater focus on providing formal ways in which employees can obtain advice about behaving ethically at work would be another way to address these issues. "This is especially important as we are more likely to work remotely and may need more active advice on ethical issues," she says.

"Considering the future of the workplace, discrimination in the workplace is the issue that employees in New Zealand and internationally are likely to be concerned about. They are also concerned about the misuse of Artificial Intelligence for unethical behavior, but New Zealanders are less likely to be concerned than the global average," she adds.

New Zealand employees are among the most likely to speak up about misconduct at work, where 61 percent that have been aware of misconduct have spoken up about it. "However, a shocking two-fifths of employees who spoke up about ethical misconduct say that they experienced retaliation as a result," notes Professor Lasthuizen.

The survey includes responses from Australia, France, Germany, Ireland, Italy, Netherlands, Portugal, South Africa, Spain, Switzerland, the United Kingdom, and the United States, as well as New Zealand.

Professor Lasthuizen says, "These findings should alert organizations in New Zealand worldwide to do more to create inclusive, ethical, and safe workplaces, and to work towards a more open ethical organizational culture."

Provided by Victoria University of Wellington

Citation: Honesty and ethics not well explained by managers in New Zealand (2021, November 10) retrieved 27 April 2024 from <https://phys.org/news/2021-11-honesty-ethics-zealand.html>

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