

Since 2003, the IBE has annually surveyed the perceptions of the British public to ethics in business. The latest face-to-face survey was conducted by Ipsos MORI among a representative sample of 991 British adults (aged 16 years and above) as part of its Sustainable Business Monitor Survey in September 2012.

These findings show:

- **A substantial decline in the proportion of the public saying that British business generally behaves 'very' or 'fairly' ethically (from 58% in 2011 to 48% in 2012).**
- **More people think that executive pay needs to be addressed in corporate behaviour than any other issue – a third select it among their top three priority issues (34%).**

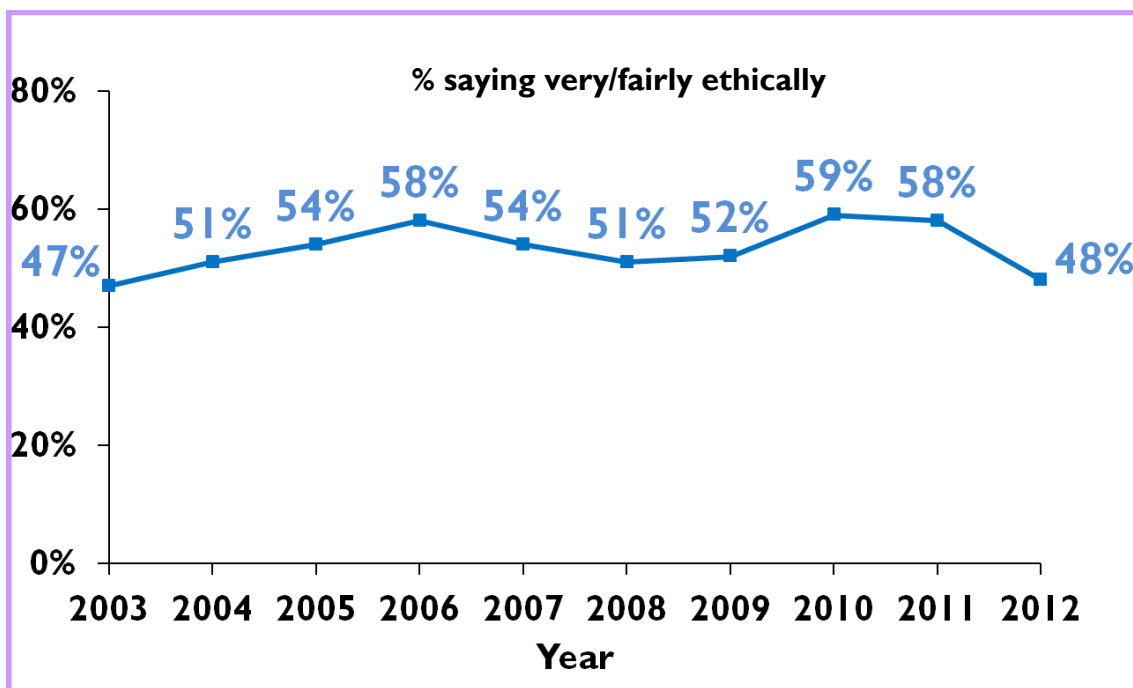
Attitudes towards business

Around half (48%) of British adults say they believe that British business is behaving very or fairly ethically in terms of its behaviour and decisions following good principles. Of these **only 3% said they think business is behaving 'very' ethically**. This is a substantial decline from the previous year – down ten percentage points from 58% in 2011.

The 2012 proportion is similar to the all-time low of 47% in 2003 (when the survey was first conducted - see Figure 1).

Opinion has declined this year among most demographic groups (see Box 1 for a detailed breakdown). There is a particularly sharp drop (19 percentage points) among those aged 35-54. Previously the views of this group had been particularly positive (compared to the total sample).

Figure 1: How ethically do you think British business generally behaves?



Base: 991 GB adults 16+, 14 - 26 September 2012, trends: c. 1000 British Public each year asked face-to-face

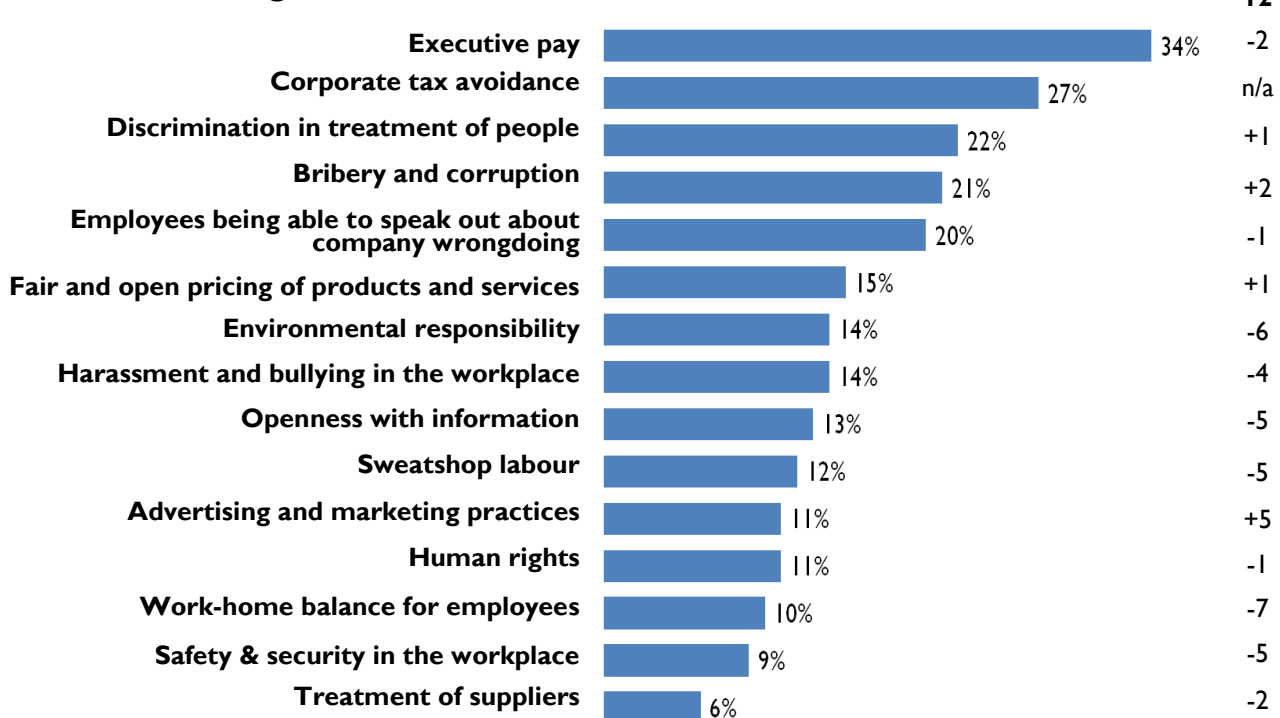
Main issues of concern

As in previous years, more people think that **executive pay** is in need of addressing by British business than any other issue – a third (34%) put it in their top three priority issues from a list of 15.

Those surveyed were asked about a new issue this year - **corporate tax avoidance**. Just over a quarter (27%) said that this most needs addressing, with **discrimination** coming third (22%) – a similar proportion as in 2011 (21%).

Advertising and marketing practices is the one area that is significantly more likely to be mentioned this year than last year (11% selected this issue in 2012, up five percentage points from 6% in 2011).

Figure 2: In your view of company behaviour, which two or three of these issues most need addressing? Change 2011-12

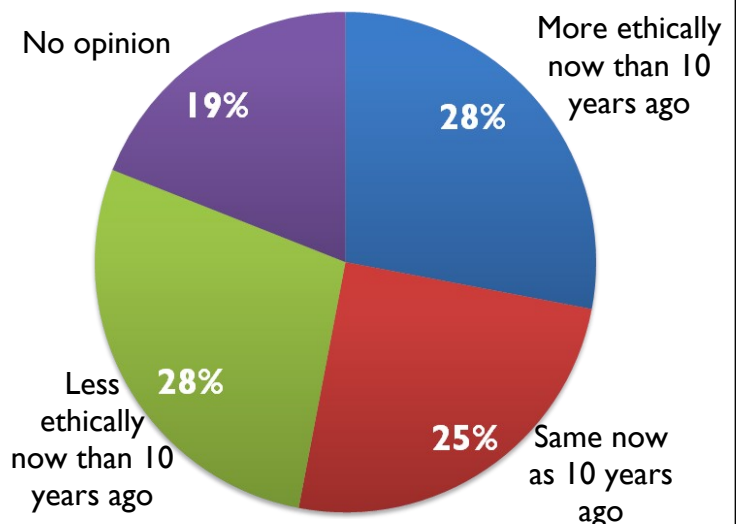


Perceptions of business over time

The survey also examined attitudes towards ethics in business over time. There remain mixed views on how ethically business behaves compared with 10 years ago.

A quarter (25%) say business behaves the same as it did ten years ago (a decline of 5 percentage points from the 2011 figure of 30%). Around a quarter (28%) of the public think British business behaves *more* ethically now than 10 years ago (the same proportion as in 2011). The same proportion (28%) in 2012 think business behaves *less* ethically now than 10 years ago – similar to the 2011 proportion of 29%.

Figure 3: How do you think British business is behaving now compared with 10 years ago? More ethically, less ethically, or the same?



Box 1: Key findings by sub-group

- Opinion of the ethical behaviour of British business among most demographic groups has declined this year.
- There is a particularly sharp drop – 19 percentage points - in the proportion of 35-54 year olds saying business behaves ethically (previously the views of this group had been more positive than average). In 2012, half (48%) of those aged 35-54 said they believe British business behaves ethically whereas in 2011, it was two thirds (66%).
- A drop of 13 percentage points in the proportion of those in social class C2DE saying they believe business behaves ethically – from 55% in 2011 to 42% in 2012.
- A significantly higher proportion of those in social class ABC1 said they think business behaves very ethically (5% compared to 3% of total sample).
- A significantly higher proportion of those aged 55+ said they think business behaves not very/at all ethically (42% compared to 37% of the total sample).
- A significantly lower proportion of 16 - 34 year olds said they think business behaves not very/at all ethically (30% compared to 37% of the total sample)
- As in 2011, women (18%) were significantly more likely than men (11%) to say harassment and bullying in the workplace is an issue that needs addressing.
- Graduates (37%) were significantly more likely than the total sample (27%) to select corporate tax avoidance, environmental responsibility (25% compared to 14% of the total sample) and work/home balance (17% compared to 10% of the total sample) as issues that need addressing.
- Men (17%) were significantly less likely than the total sample (20%) to say being able to speak out about wrongdoing needs addressing.

Philippa Foster Back, Director of the IBE comments:

“This year’s results should act as another wake-up call to business that action needs to be taken in order to restore trust with the British public.

Executive pay continues to trouble the British public - while the country tightens its belt, extravagant bonuses and rewards for failure tarnish business’s reputation.

Scandals such as LIBOR have meant that the ethics of business has yet again become an issue of direct concern to the general public.”

Further resources

- The full 2012 survey results are available to download for free at: www.ibe.org.uk and www.ipsos-mori.com
- Results of the 2011 survey can be viewed here: http://www.ibe.org.uk/userfiles/ibe_mori%20survey%202011.pdf

Methodology: A nationally representative quota sample of 991 British adults aged 16+ was interviewed throughout Great Britain on Ipsos MORI’s Capibus survey. Interviews were carried out using CAPI (Computer Assisted Personal Interviewing), face-to-face in respondents’ homes between 14 - 26 September 2012. Data have been weighted to reflect the adult British population in terms of age, sex, socio-economic class and region.



The IBE was established in 1986 to encourage high standards of business behaviour based on ethical values.

Our vision is to lead the dissemination of knowledge and good practice in business ethics.

We raise public awareness of the importance of doing business ethically, and collaborate with other UK and international organisations with interests and expertise in business ethics.

We help organisations to strengthen their ethics culture through effective and relevant ethics programmes.

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At L'ORÉAL, we have been working with the IBE for many years. We have always found their advice pragmatic and practical as well as, in many instances, inspiring. They help us and challenge us at the same time. **Emmanuel Lulin, Group Director of Ethics, L'ORÉAL**

This and other Business Ethics Briefings are available to download free of charge from the IBE website: <http://www.ibe.org.uk/index.asp?upid=51&msid=8>