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# Trust in the workplace

## 2010 Ethics & Workplace Survey

“Regardless of the economic environment, business leaders should be mindful of the significant impact that trust in the workplace and transparent communication can have on talent management and retention strategies. By establishing a values-based culture, organizations can cultivate the trust necessary to reduce turnover and mitigate unethical behavior.”

*Sharon Allen—Chairman, Deloitte LLP*

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# Executive summary

During challenging economic times, the relationship between employees and employers is often tested. Frequently, executives are forced to make decisions that broadly affect their workforces and alter what matters in the workplace. Today's business environment is no exception.

According to the Deloitte LLP 2010 Ethics & Workplace Survey, the recession has diminished two important forms of business currency—trust and ethics.

Nearly half (48%) of employed Americans who plan to look for a new job when the economy is more stable cite a loss of trust in their employer as a result of how business and operational decisions were handled over the last two years as a reason for leaving; 46% of them say a lack of transparent leadership communication will drive them to seek new employment opportunities. Executives also believe that trust (65%) and transparency (48%) will be leading factors in voluntary turnover in the coming months.

Interestingly, the survey shows a disconnect between employees and employers around the issues of trust and ethics in the workplace. Executives claim to be considering

the impact of their business decisions on the ethical behavior of the workforce during the economic downturn, however 31% of employees say that their colleagues are more likely to behave unethically at work in this environment.

As we look toward the post-recession era, the survey suggests that business leaders have not lost sight of one of the most important employee retention tools in corporate America today: career-life fit. The study found that while 59% of employees feel more is being demanded of them because of today's climate, 72% say their employers continue to support their needs to integrate work and life.

While it appears that executives are doing a good job of supporting talent, the potential for increased employee turnover still exists. With this in mind, business leaders should plan to increase their efforts and work to reinforce the importance of trust, transparency and professional ethics. This can be done by clearly communicating marketplace challenges and conditions to the workforce and level setting expectations. Additionally, it is important for leadership to foster values-based cultures by truly setting the tone at the top.



Lack of trust and transparency  
are reasons employees will  
look for new jobs



“

... business leaders must be mindful of the significant impact that trust and transparency can have on talent retention and turnover.”

*Sharon Allen—Chairman, Deloitte LLP*

## What factors contribute to employees' plans to seek new jobs as the economy improves?



**48% of employees say "loss of trust"**

**46% say "lack of transparency in communications"**

**40% say "being treated unfairly or unethically by employers"**



\* Base: Employees likely to look for a new job at the end of the recession. n=224

Net percentage of major and minor reasons for employees to look for new employment when the economy improves.

Executives believe the following factors will contribute to increased voluntary turnover as the economy improves.

**Employees' loss of trust in the company (65%)**

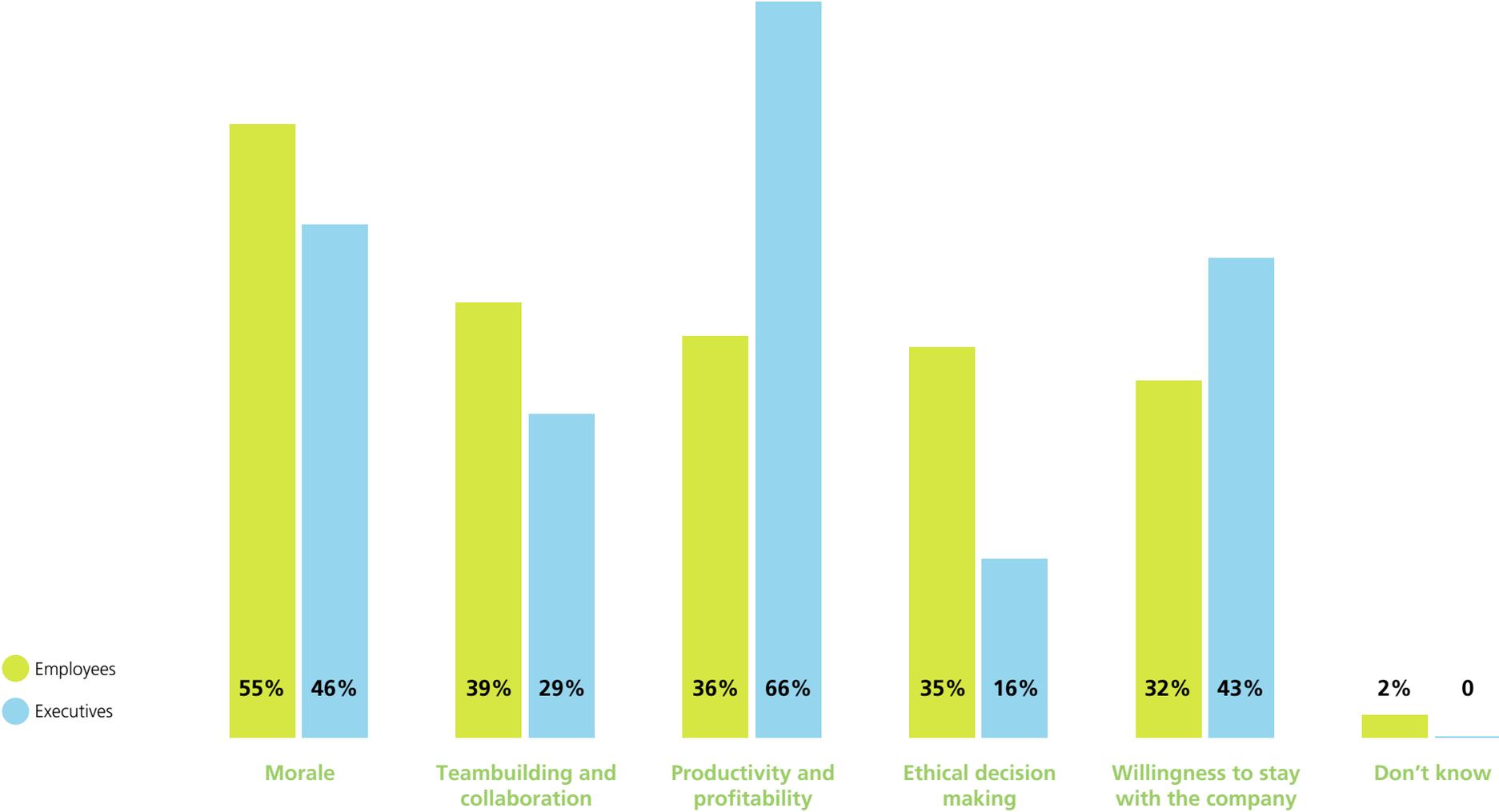
**Lack of transparency in leadership communications (48%)**

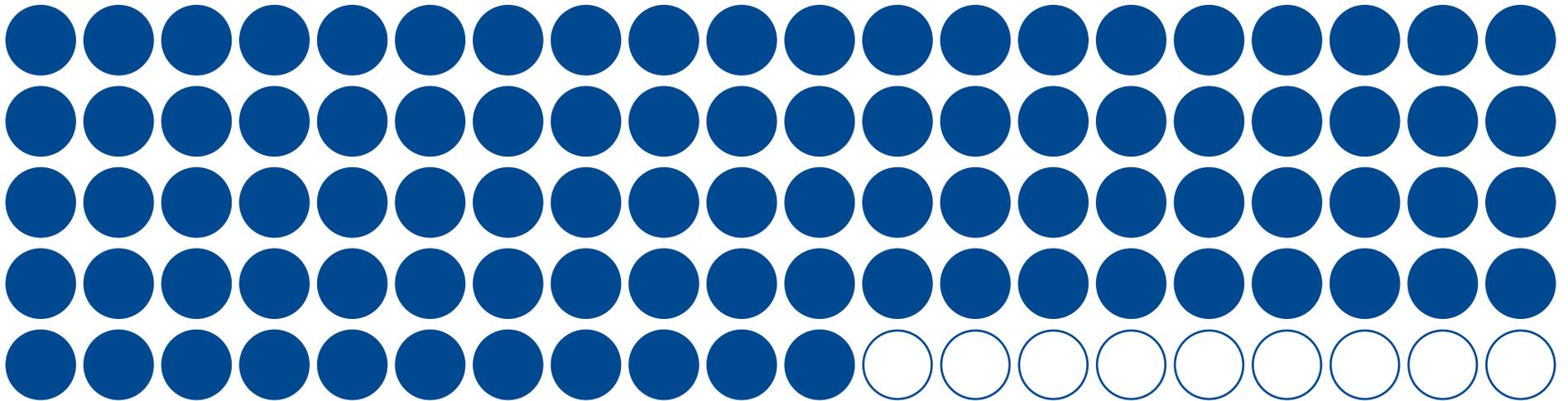
**Perception of unfair and unethical treatment of employees over the last 18 to 24 months (39%)**



\* Base: Executives concerned that employees will look for a new job at the end of the recession. n=201

Of the following items, which two do you believe are the most positively affected when an employee trusts his or her employer?





92%

of executives ranked transparent communication by leadership among their top three tactics for building employee trust.

32%

of employees say it is the most important way to build trust in the workplace.



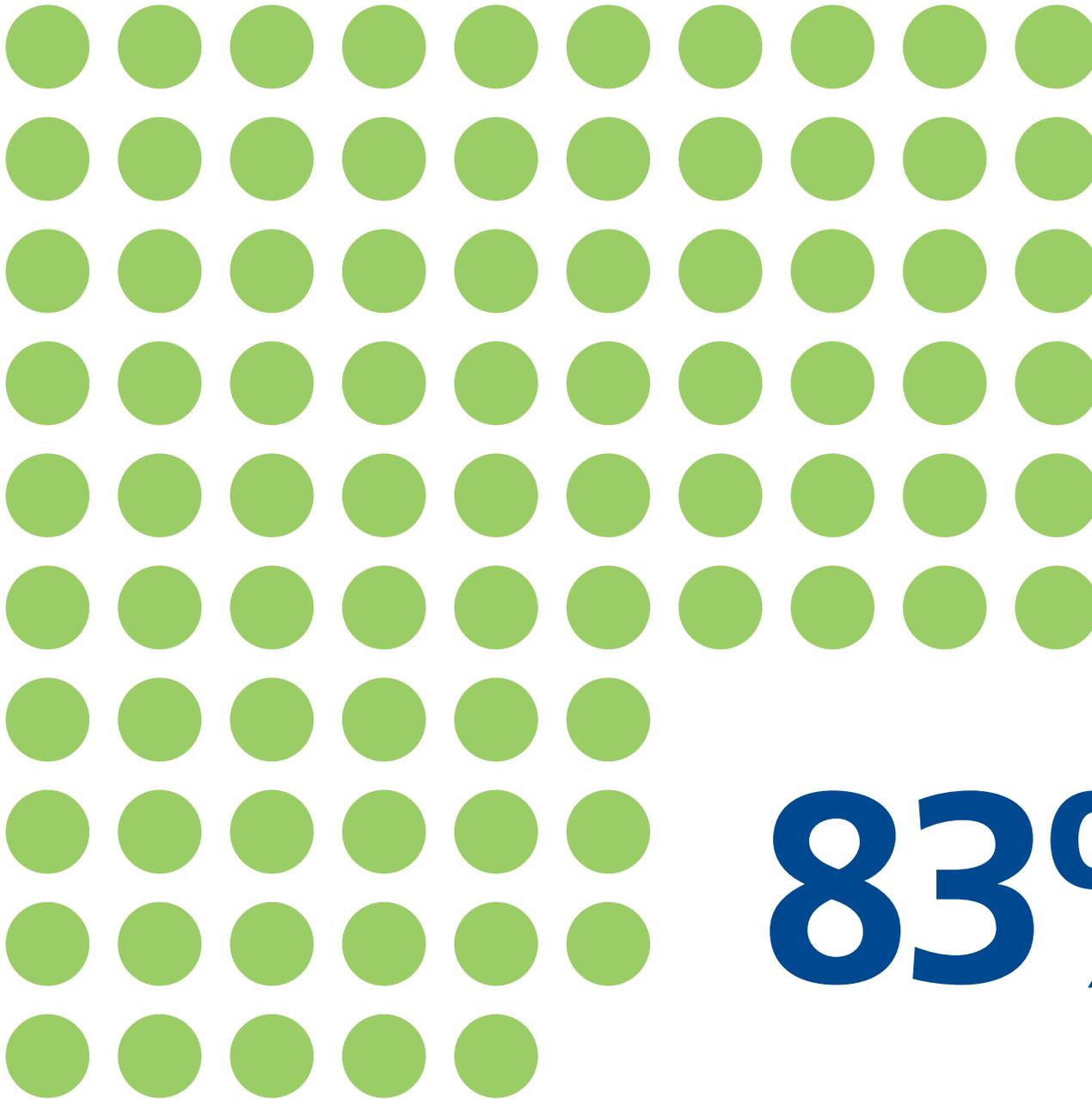
# Another job for the board: building trust in the workplace



“

Ultimately, an organization’s most senior leaders should set a clear and decisive tone at the top.”

*Sharon Allen—Chairman, Deloitte LLP*



**83%**

of executives agree that the board of directors has a responsibility to play a role in building employee trust.

# How has trust in your companies' boards changed since the start of the economic downturn?

**Trust has increased**

**Executives: 23%**

**Employees: 14%**

**About the same**

**Executives: 56%**

**Employees: 49%**

**Trust has decreased**

**Executives: 21%**

**Employees: 36%**



# Despite economic conditions, career-life fit remains a priority

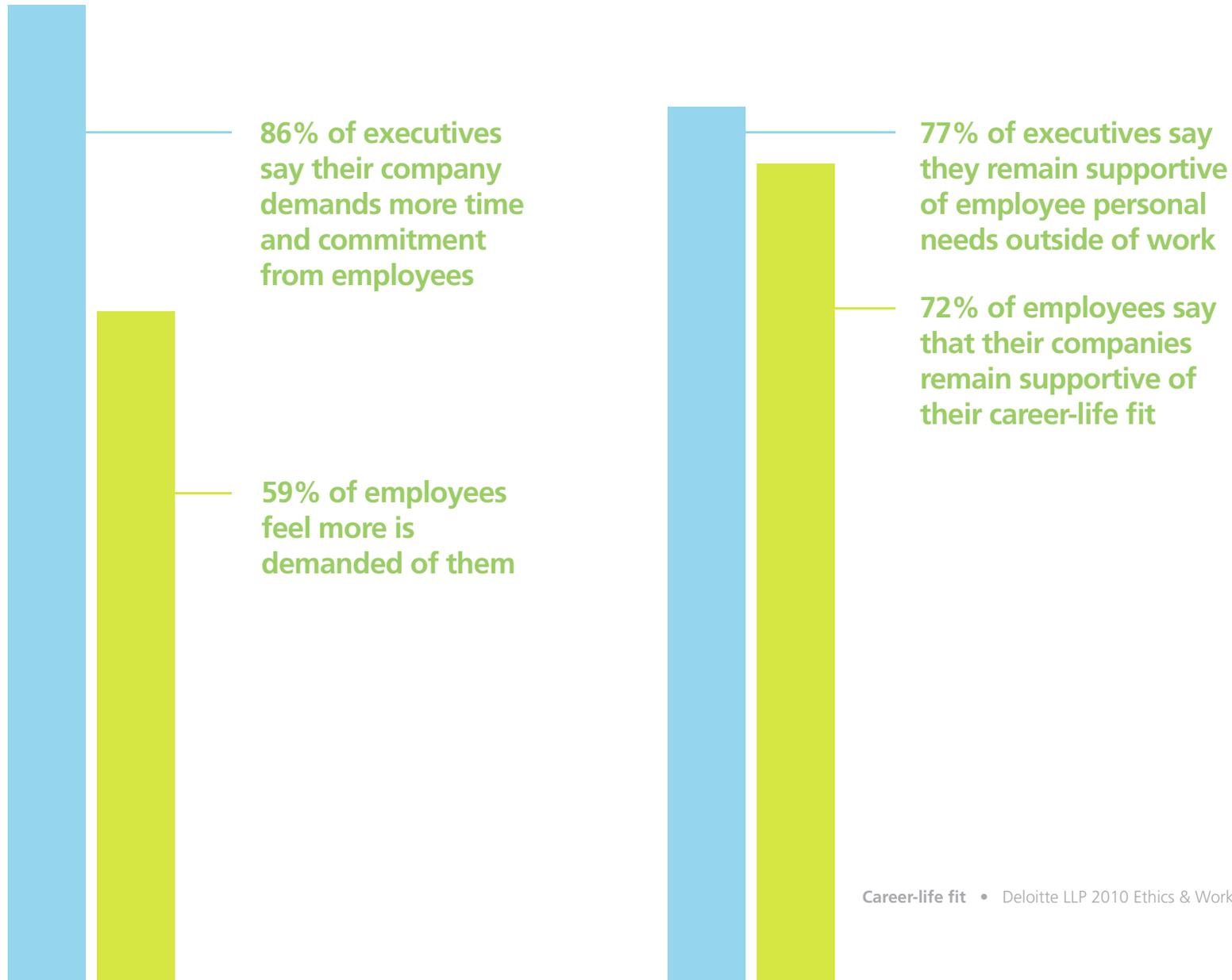


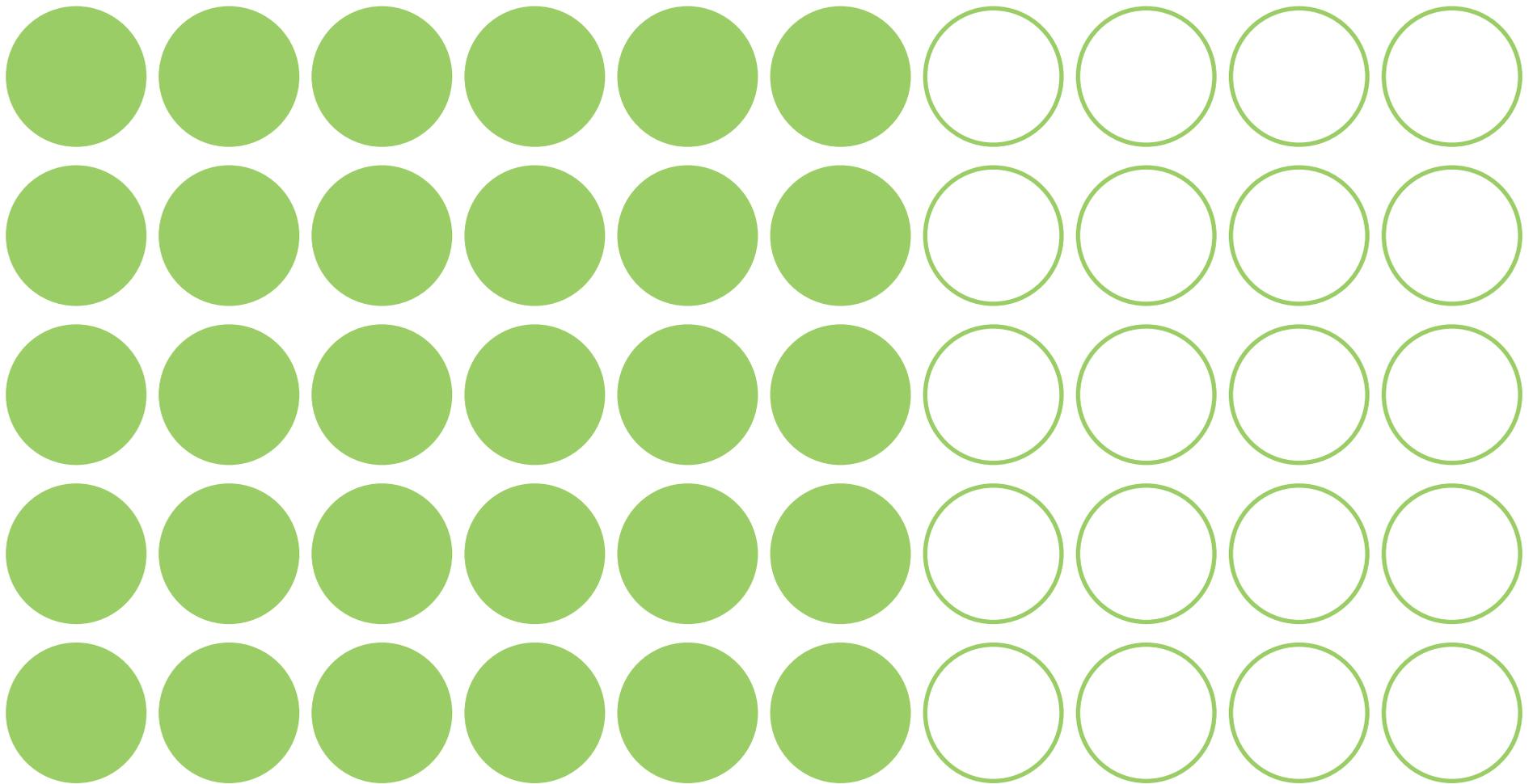
“

... business leaders recognize the importance of career-life fit to retain top talent.”

*Sharon Allen—Chairman, Deloitte LLP*

## How has the recession changed expectations at the office?





**60%** of employees say technology plays a role in career-life fit, which ultimately helps to build trust in the workplace; **59%** say it allows their managers to be more transparent.

When making decisions related to workplace flexibility programs, 76% of executives consider their impact on ethical behavior among employees.

In our 2007 survey, 91% of employees said they were more likely to behave ethically at work when they had good career-life fit.

In our 2008 survey, 76% of respondents agreed that career-life balance increases productivity.





Executives and employees are mixed on social networking as a trust-builder



“

... there is a persistent gap between employee and employer views on the appropriate use of and access to social media sites ...”

*Sharon Allen—Chairman, Deloitte LLP*

Does social networking help to build trust in the workplace?

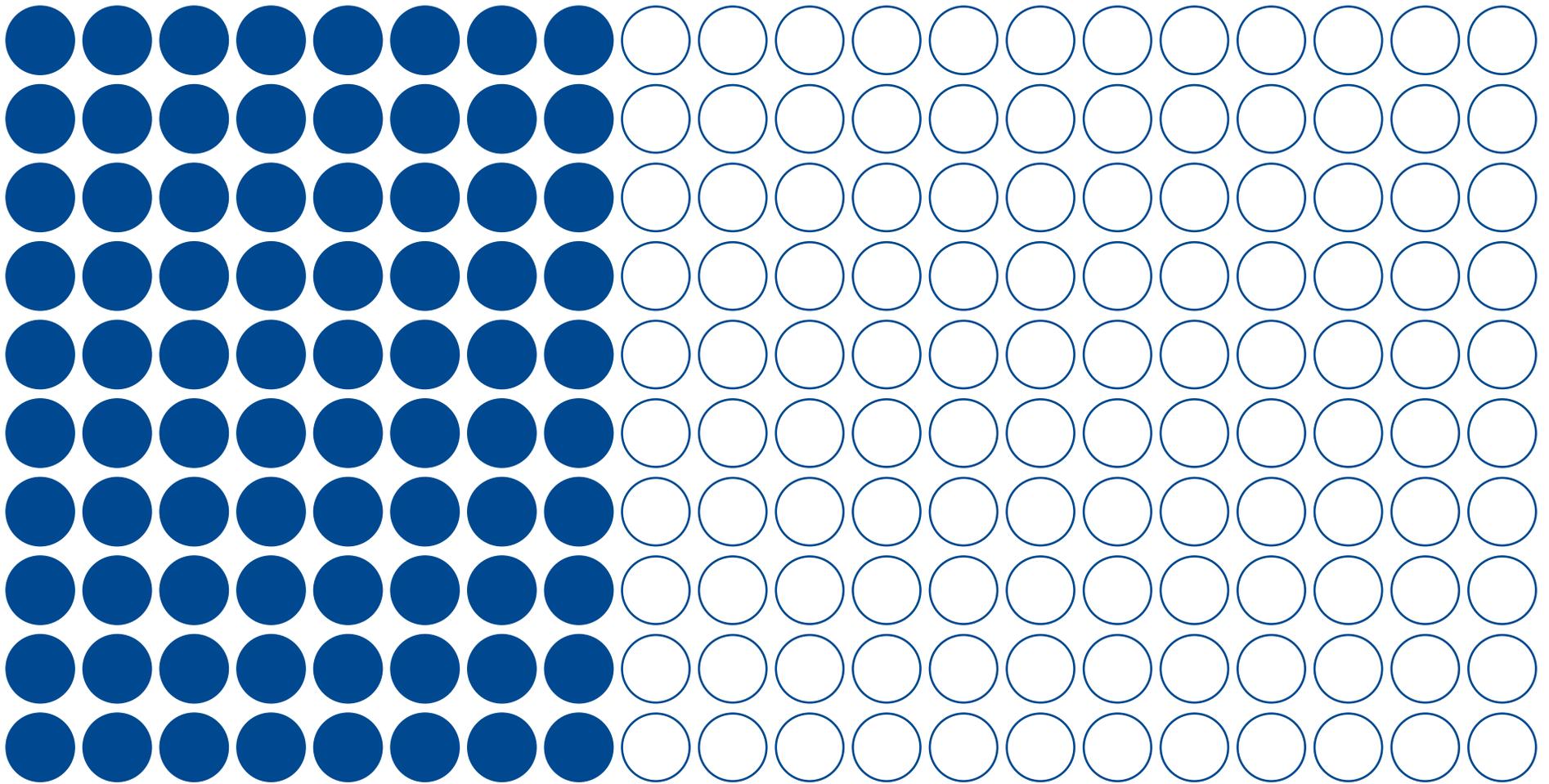


34% of employees say "yes"

49% of executives say "yes"

32% of employees do not use social networks, for fear it will negatively affect their careers, and 62% of employees prefer not to be "friends" with their managers on social networking sites





**40%** of executives say their company does not allow access to online social network sites from the workplace

### **Methodology**

This Ethics and Workplace study was conducted by telephone within the United States by Harris Interactive on behalf of Deloitte between April 8 and April 12, 2010 among 754 full or part-time employed U.S. adults ages 18 and over. Additional interviews were conducted online between April 6 and 16, 2010 among 300 Fortune 1000 executives, defined as Vice President or higher. No estimates of theoretical sampling error can be calculated; a full methodology is available.

### **About the Deloitte LLP Ethics & Workplace Survey**

The Deloitte LLP Ethics & Workplace Survey is designed to measure the impact that current workplace trends and issues have on employee behavior. Launched in 2007, the inaugural study examined the connection between work-life fit and ethical decision making by employees on the job. The following year it looked at the role of leadership transparency, followed by research on the potential reputational risk associated with social media. This year's survey is dedicated to trust in the workplace. Sharon Allen, Chairman of the Board, Deloitte LLP, is the sponsor of this annual survey series.

### **About Deloitte**

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