

THE ETHICS INSTITUTE

South African Business Ethics Survey 2026

Ethical Culture and Conduct in a Changing Work Environment

More "Walk" But Less "Talk"

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FOREWARD

Ethical culture has never been more important.

Organisations today operate in an environment characterised by rapid technological change, increasing stakeholder expectations, heightened regulatory scrutiny, economic uncertainty, and declining levels of institutional trust. In this context, ethical culture is no longer a “soft” organisational attribute - it is a strategic asset that underpins organisational resilience, reputation, performance, and long-term sustainability.

For more than two decades, The Ethics Institute has worked alongside organisations to strengthen ethical leadership and embed ethical cultures. The South African Business Ethics Survey (SABES) forms an important part of this mission. Conducted periodically since 2009, SABES provides a unique national benchmark of employees’ experiences of ethics in the workplace, enabling organisations to understand not only where they perform well, but also where attention is required.

The findings of SABES 2026 offer both encouragement and cause for reflection. On the one hand, South African organisations appear to have strengthened many of the formal structures, leadership behaviours, and systems that promote ethical conduct. Employees report greater confidence that organisations are acting ethically and that misconduct is taken seriously. This suggests that organisations are increasingly “walking the ethical walk.”

Yet the survey also reveals a quieter, but equally important, trend. Conversations about ethics appear to be occurring less frequently, employees are somewhat less inclined to seek advice when faced with ethical uncertainty, and confidence in speaking up has softened. In other words, while organisations may be demonstrating more ethical behaviour, they may be talking less about ethics.

This distinction matters. Ethical cultures are not sustained by policies, governance structures, or leadership commitment alone. They are strengthened through continuous dialogue, reflection, challenge, and the psychological safety that enables people to raise concerns before problems become crises. Ethical culture is built as much through everyday conversations as through formal governance mechanisms.

The message emerging from SABES 2026 is therefore not that organisations are becoming less ethical. Rather, it suggests that the next phase of ethical maturity requires renewed attention to keeping ethics visible, discussed, and lived throughout the organisation. As new technologies emerge, work becomes increasingly hybrid, and ethical dilemmas grow more complex, organisations will need to ensure that ethics remains part of everyday decision-making rather than an occasional compliance discussion.

It is our sincere hope that this report will assist boards, executives, ethics officers, governance professionals, and leaders across South Africa to better understand their own organisational cultures, benchmark their performance, and identify practical opportunities to strengthen trust, integrity, and ethical leadership.

Ultimately, ethical organisations are not defined by the absence of misconduct, but by their ability to create environments where doing the right thing becomes the natural way of working.

Dr Liezl Groenewald
Chief Executive Officer: The Ethics Institute

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EXECUTIVE SUMMARY

The South African Business Ethics Survey (SABES) 2026 provides a national view of ethical culture and employee conduct across large private sector organisations, enabling organisations to benchmark their performance and identify areas for improvement. Building on previous SABES studies, this report examines how ethical culture continues to evolve in a changing work environment.

The 2026 findings reveal a nuanced but important shift. While organisations have strengthened structural and behavioural mechanisms to reinforce ethical conduct, everyday ethical dialogue and speak-up confidence show signs of softening. In simple terms, organisations appear to be demonstrating more ethical "walk", but less ethical "talk".

Overview of findings

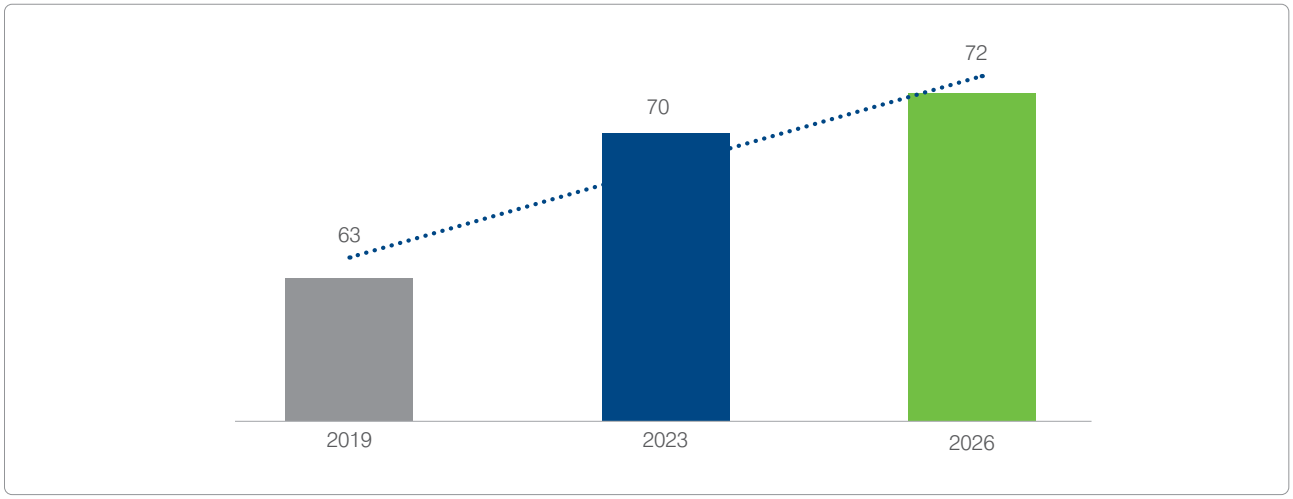
Seventh Survey Conducted

2002 → 2009 → 2013 → 2016 → 2019 → **2023** → **2026**

Sample

A total of 11,780 employees across 16 organisations were surveyed during the 2024/2025 research cycle.

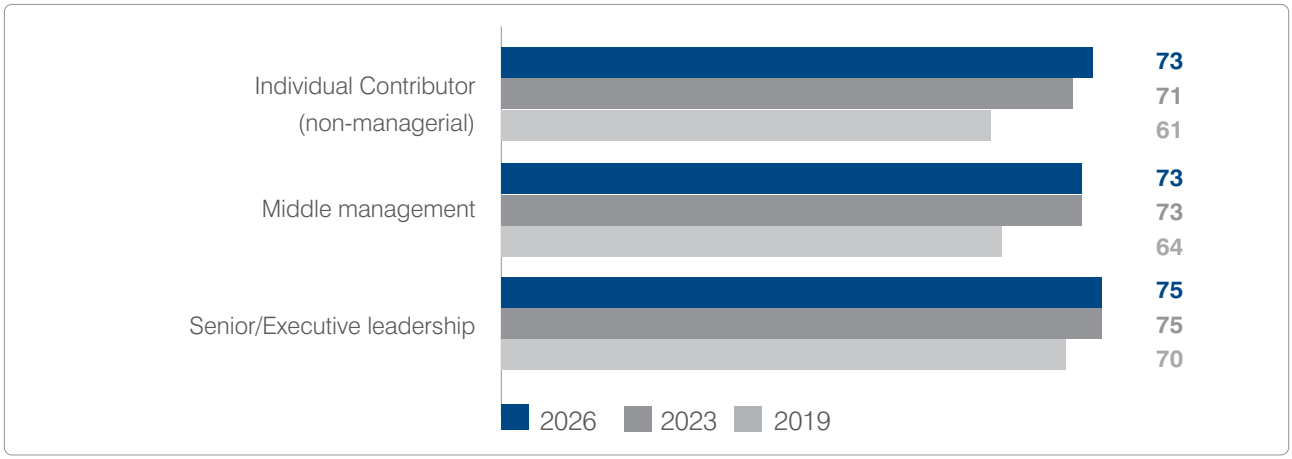
Ethical Culture Remains Developing — and Stronger than in 2019



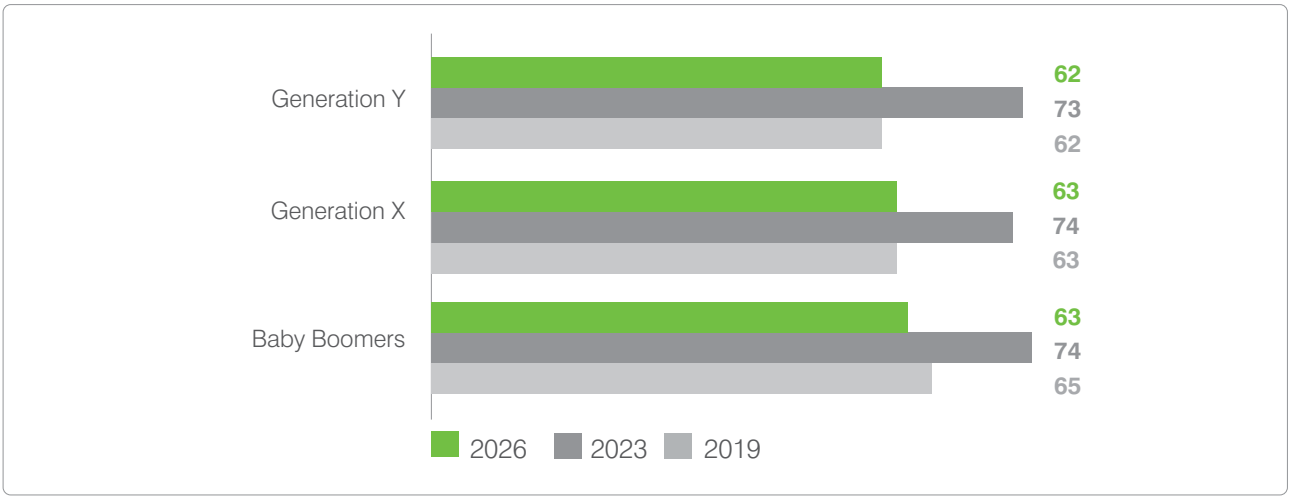
- Sustained improvement since 2019
- Progress stabilised in 2026
- Accountability and leadership strengthened
- Systems embedded, but not yet fully internalised

Key Insight: Organisations appear to have reached a structural plateau where ethics systems are stronger, but not yet fully self-sustaining.

PERCEPTION GAPS ARE NARROWING



Ethical culture index comparisons by job-level



Ethical culture index comparisons by generation

Generational and Job-Level Differences Are Narrowing

- Ethical culture is experienced more consistently across groups
- Greater alignment across hierarchy and generations is evident
- Alignment, however, does not yet equal full cultural internalisation

CULTURE REDUCES MISCONDUCT

- Supporting Statistic Callout: r = -0.50
- Stronger ethical cultures are materially associated with lower levels of misconduct.
- Ethical culture is not symbolic — it is behaviourally consequential.

WHAT DRIVES ETHICAL BEHAVIOUR?

- Strongest Drivers
  - Middle Management Commitment
  - Leadership Commitment
  - Ethical Treatment
  - Accountability
- Management behaviour remains the strongest lever for reducing misconduct.

MORE WALK. LESS TALK.

MORE WALK
Accountability
Enforcement
Consequence Management
Behavioural Reinforcement

LESS TALK
Ethics Talk
Ethical Dialogue
Speak-Up Confidence
Everyday Ethics Conversations

Organisations appear to be enforcing ethics more consistently, discussing ethics less openly.

SPEAK-UP SYSTEMS EXIST — BUT TRUST REMAINS CONSTRAINED

Observed Misconduct (1 in 4 employees)



46% Reported



54% Not Reported

- Main Reporting Channels
  - Line Management rather than formal investigative structures.
- Main Barriers to Reporting
  - Nothing will be done
  - Fear of victimisation
  - Confidentiality concerns
  - Lack of anonymity
- Reporting systems exist, but trust and psychological safety remain uneven.

INTRODUCTION

What is the South African Business Ethics Survey (SABES)?

The South African Business Ethics Survey (SABES) 2026 is the seventh national business ethics survey conducted by The Ethics Institute (TEI) in the South African private sector. Since its first publication in 2002, followed by subsequent iterations in 2009, 2013, 2016, 2019 and 2023, SABES has provided a consistent benchmark of ethical culture across listed and large private organisations in South Africa.

Over more than two decades, SABES has tracked how ethical culture has evolved in response to changing organisational and societal contexts. Each iteration has built on the previous one, shifting from identifying ethical risks to understanding how culture influences behaviour in practice.

Building on insights from the 2023 SABES, which reflected the disruption caused by COVID-19 and the shift toward hybrid and remote work, the 2026 report examines how ethical culture is evolving in a more stabilised and digitally enabled environment.

The 2026 SABES provides organisations with a timely perspective to benchmark their ethical culture, identify areas of strength and vulnerability, and continue strengthening their ethical culture in an increasingly complex business environment.

HOW DID WE CONDUCT THE RESEARCH?

The research is based on data collected from ethics risk assessments conducted with large private and listed organisations in South Africa during the 2024/2025 cycle.

Each participating organisation completed two standardised measures:

- Ethical Culture Maturity Indicator (ECMI) – measures employees' perception of ethical culture
- Ethics Behaviour Risk Indicator (EBRI) – measures the observed frequency of unethical conduct

Together, these measures allowed us to evaluate the relationship between culture and conduct within contemporary organisational contexts. This provides an updated empirical examination of how ethical culture maturity relates to behavioural risk patterns in the South African private sector.

Sample

A total of **11,780 employees across 16 organisations** participated in the study.

The sample includes employees across various job levels, ranging from non-managerial employees to executive management.

Participating organisations primarily operate in the following sectors:

- Medical Services;
- Mining and energy;
- Audit and accounting;
- Financial services and banking; and
- Agriculture and farming.

Sampling Considerations

The findings provide a strong indication of trends within the South African private sector; however, they should be interpreted in the context of the sample. The dataset comprises organisations that actively measure and manage their ethical cultures and therefore may reflect a comparatively more ethics-mature segment of the private sector. As a result, ethical culture maturity in organisations that do not actively assess or manage ethics may be lower. In addition, the sector composition of the sample should be considered when interpreting industry-specific insights and when generalising the findings to the broader private sector landscape.

With this foundation, the findings that follow provide a clear view of the current state of ethical culture, how it has evolved over time, and how it influences observed patterns of employee conduct within organisations.

FINDINGS

The Ethical Culture of South African Private Sector Organisations

Interpreting Ethical Culture Maturity

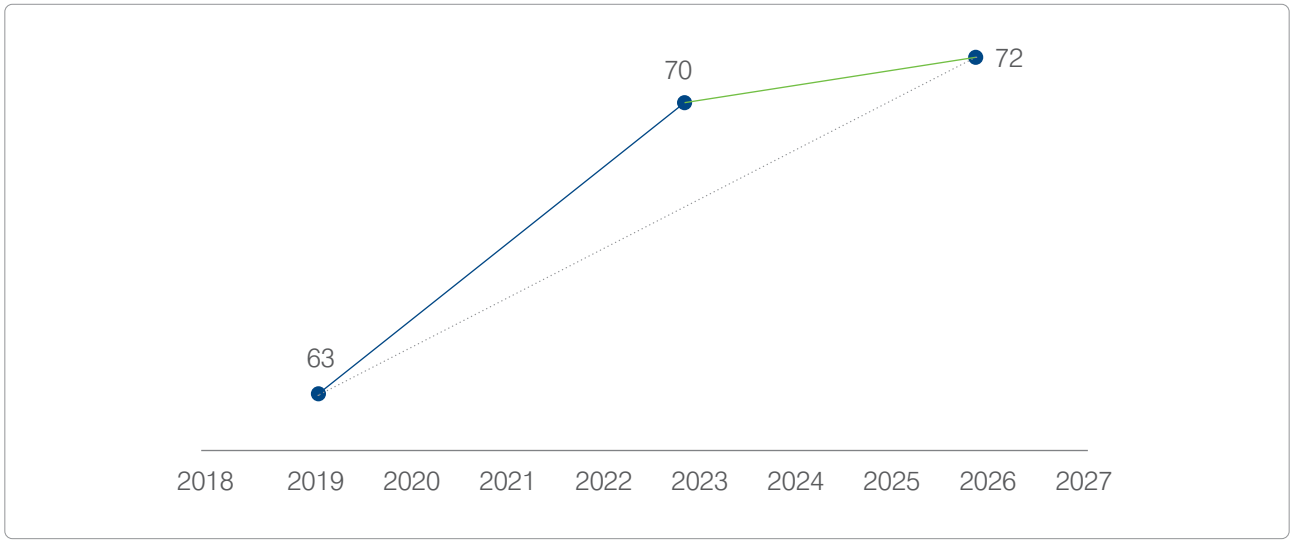
To make the results easier to understand, ethical culture scores are grouped into four levels:

Ethical Culture Maturity Descriptor	Score
Mature	75 – 100
Developing	50 – 74
Underdeveloped	25 – 49
Fragile	0 – 24

These levels help show how well ethical values, behaviours, and accountability are built into an organisation. The levels are based on research behind the Ethical Culture Maturity Indicator (ECMI). They are used to tell the difference between organisations with weak, basic, developing, or strong ethical cultures.

It is also important to understand that moving from one level to another shows real progress. It means ethics are becoming more part of how the organisation works and how employees think and act. Higher levels do not just mean better policies—they also show that leaders, employees, and everyday actions are more aligned.

The data shows a clear upward trend in ethical culture maturity across the three measurement cycles:



Sustained investment in ethics management systems and leadership commitment

The most significant increase occurred between 2019 and 2023 (+7 points), suggesting a strong strengthening of ethics management practices, governance oversight, and organisational attention to ethical culture over this period.

The increase from 2023 to 2026 (+2 points) indicates continued progress, but at a slower pace, suggesting consolidation rather than acceleration.

Overall, ethical culture has improved by **9 points** since 2019. While sample differences between iterations should always be considered when interpreting longitudinal data, the consistent upward movement suggests sustained investment in ethics management systems and leadership commitment to strengthening ethical culture within the South African private sector.

Organisations have made meaningful progress but are now stabilising.

Organisational Ethics Culture Maturity is developing

With an average score of 72, participating organisations remain in the **Developing** category.

This means:

- Ethical systems and structures are in place
- Leadership commitment is visible
- Employees are generally aligned with ethical values

However, ethical culture is not yet fully self-sustaining.

For the mature ethical culture level (above 75) to be achieved, would require:

- Employees to internalise ethics
- Ethical behaviour to be embedded in daily decision-making
- Less reliance on formal enforcement

Key Insight

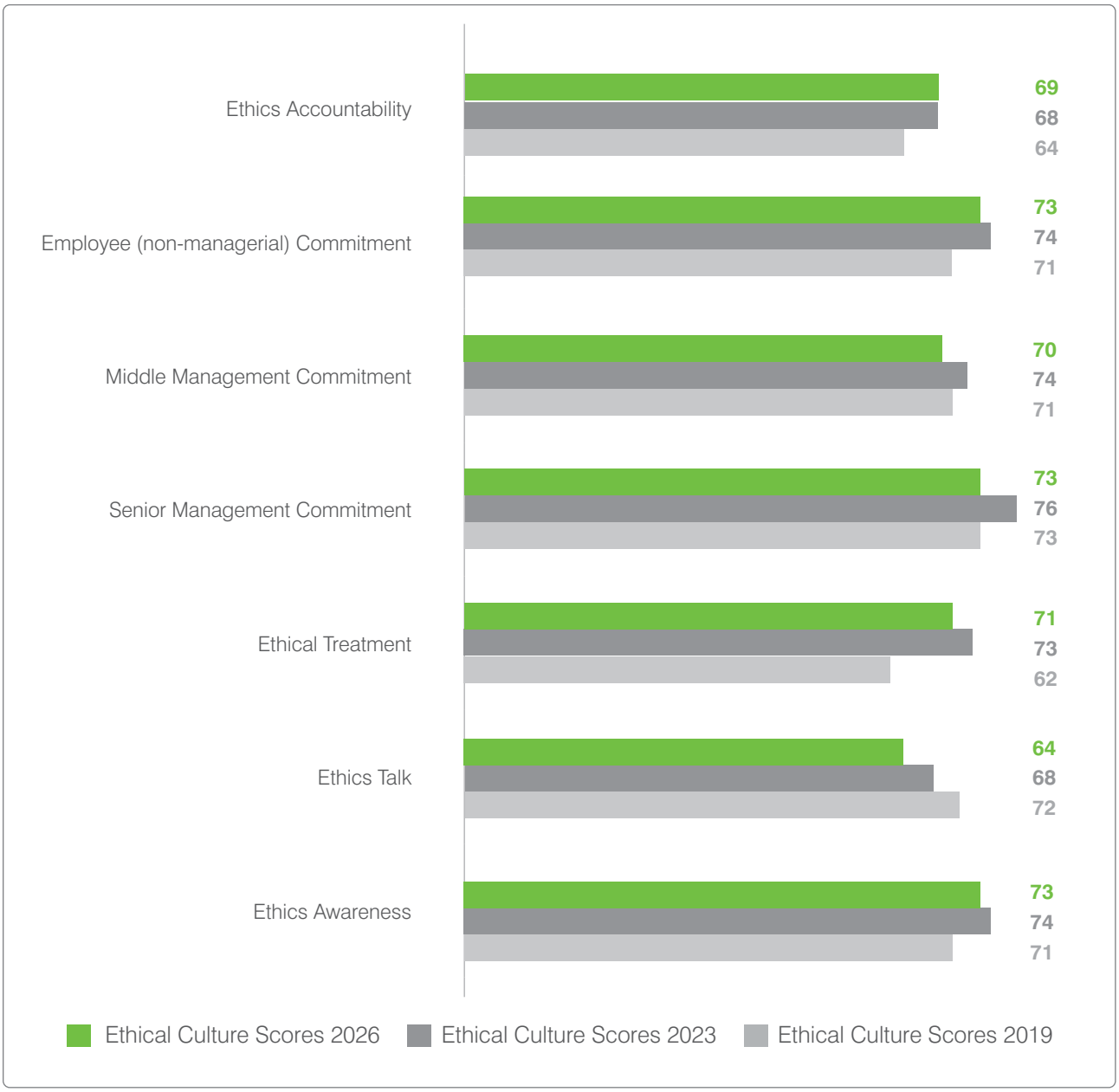
The results show steady improvement over time, but also suggest that organisations may be reaching a plateau:

- Systems are established
- Governance is stronger
- But deeper behavioural embedding is still developing

The next phase of maturity depends on shifting from managed ethics to lived ethics.

The building blocks of ethical culture

While the overall score provides a useful summary, the underlying dimensions offer deeper insight into how ethical culture is experienced in practice. Analysing these dimensions over time allows us to identify areas of sustained strength, emerging pressure points, and dimensions that may require renewed focus. In particular, comparing results across 2019, 2023, and 2026 enables an assessment of whether improvements are being consolidated, stabilised, or showing signs of regression.



Building blocks of ethical culture comparisons 2019, 2023 and 2026

Across all seven building blocks, scores remain in the **Developing** band in 2026. Overall, the pattern shows strong improvement from 2019 to 2023, followed by stabilisation between 2023 and 2026. This suggests that ethical culture foundations are broadly in place, but not yet fully embedded or self-sustaining.

Ethics accountability



Ethics accountability refers to the extent to which employees across all job levels are held consistently responsible for their behaviour, and whether sanctions for misconduct are perceived as fair, transparent, and proportionate. This dimension captures perceptions of fair and consistentconsequence management, and procedural consistency.

A steady upward trend is observed (64 in 2019; 68 in 2023; 69 in 2026), indicating gradual strengthening of accountability systems over time. While the most substantial gains occurred between 2019 and 2023, the continued improvement into 2026 suggests consolidation rather than regression.

One plausible explanation is the sustained emphasis on ethical and effective leadership within South Africa's corporate governance frameworks (IoDSA, 2016), which reinforce board-level responsibility for ethical culture, alongside the increasing formalisation of ethics risk management processes within participating organisations. Hybrid and digital work environments may also contribute to clearer audit trails and greater consistency in enforcement.

Overall, the trajectory is encouraging and reflects improving trust in accountability mechanisms across participating organisations.

Non-managerial employee commitment to ethics



This dimension measures the extent to which non-managerial employees demonstrate alignment with organisational ethical values and are perceived to act in accordance with ethical expectations in their daily work.

Scores increased from 71 (2019) to 74 (2023), followed by slight consolidation at 73 (2026), indicating relatively stable and sustained alignment at a high developing level.

This stability suggests that employee-level commitment to ethics has been maintained over time. The improvement observed post-2019 may reflect strengthened ethics awareness initiatives, clearer role expectations, and enhanced job control during hybrid work transitions. These factors are consistent with job demands–control theory, which links perceived autonomy to

positive work attitudes (Karasek, 1979). While the slight decline in 2026 suggests a normalisation phase, the dimension remains comparatively strong.

Overall, the results indicate that ethical messaging and awareness initiatives are largely resonating with employees across participating organisations.

Middle management commitment to ethics



Middle Management Commitment reflects perceptions of supervisors' and line managers' ethical conduct, consistency, and reinforcement of ethical standards in day-to-day operations.

Scores improved from 71 (2019) to 74 (2023) but declined to 70 in 2026. While still within the developing band, this represents a noticeable softening and may represent a pressure point.

Middle managers often function as the critical "translational layer" between executive intent and operational reality. Periods of structural transition—such as hybrid work normalisation and post-pandemic performance recalibration—may increase role strain at this level.

Research on role stress and boundary-spanning positions indicates that periods of organisational transition can intensify role conflict and strain at this level (Kahn et al., 1964; Huy, 2001), potentially influencing perceptions of ethical commitment.

This dimension warrants attention, as middle management plays a pivotal role in embedding ethics within organisational culture.

Senior management (leadership) commitment to ethics



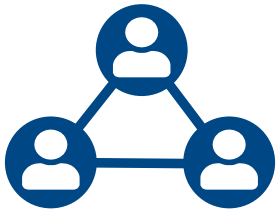
Senior Management Commitment captures perceptions of executive leadership's ethical conduct, visible support for ethics initiatives, and alignment between ethical messaging and strategic decisions.

Scores increased from 73 (2019) to 76 (2023), briefly entering the Mature category, before moderating to 73 in 2026. The 2023 peak likely reflects heightened executive visibility and values-based leadership during the COVID and immediate post-COVID period.

Crisis leadership literature suggests that during high-uncertainty periods, executive visibility and values-based communication intensify (Boin et al., 2013). As conditions stabilise, this heightened signalling may reduce, returning perceptions to baseline levels.

Although no longer in the Mature band, perceptions of senior leadership commitment remain comparatively strong and above 2019 levels.

Ethical treatment of employees



Ethical Treatment measures whether employees feel they are treated with dignity, fairness, and respect, and whether decision-making processes are perceived as just and unbiased.

This dimension showed the most substantial improvement over time, rising from 62 (2019) to 73 (2023), followed by a slight decline to 71 (2026). During the pandemic, increased flexibility, remote work arrangements, and heightened sensitivity to employee wellbeing may have temporarily shifted power dynamics, increasing perceptions of fairness, voice, and employer responsiveness.

Organisational justice and psychological contract theory suggest that when employees perceive greater autonomy, flexibility, and reciprocal concern from employers, fairness perceptions strengthen (Colquitt et al., 2001; Rousseau, 1995).

The modest contraction between 2023 and 2026 may reflect a correction or rebalancing of this relationship as organisations normalised operations and reasserted performance controls. Research on psychological contracts indicates that crisis-driven flexibility can reshape expectations; when conditions normalise, perceived reductions in autonomy or flexibility can produce subtle downward adjustments in fairness perceptions (Rousseau, 1995; Tomprou et al., 2015). Similarly, studies of remote and hybrid work show that shifts back toward structured control can affect perceived justice and autonomy (Kniffin et al., 2021).

Importantly, the 2026 score remains significantly higher than 2019, indicating that gains in perceived fairness have largely been retained.

Ethics talk



Ethics Talk refers to the frequency and openness of discussions about ethical issues within the organisation, including whether employees feel safe to raise concerns and engage in dialogue about difficult ethical matters.

Scores declined from 72 (2019) to 68 (2023) and further to 64 (2026), representing the most consistent downward trend across dimensions.

Hybrid work research suggests that reduced informal interaction and spontaneous dialogue can weaken peer-to-peer ethical reinforcement and norm signalling (Kniffin et al., 2021). Even where formal systems remain intact, the frequency and visibility of everyday ethics conversations may decline in digitally mediated environments.

This dimension represents a potential risk area, as strong ethics talk climates are associated with early issue identification and proactive ethical decision-making.

Ethics awareness

Ethics Awareness measures employees' understanding of organisational values, ethical standards, policies, and reporting channels.

Scores improved from 71 (2019) to 74 (2023), with slight consolidation at 73 (2026). This stability suggests that ethics training, communication, and policy dissemination mechanisms remain effective.

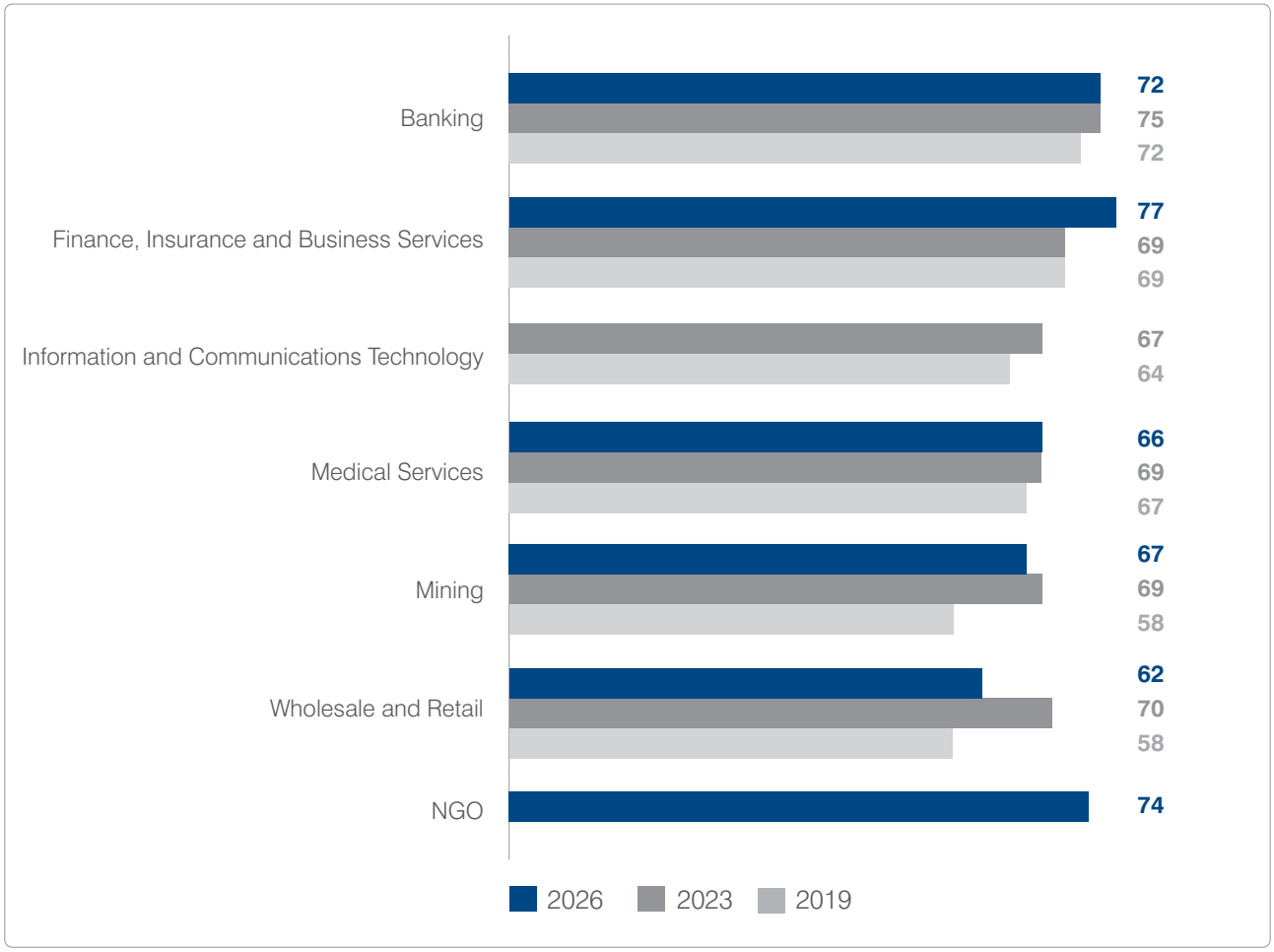
Once embedded, these structural elements tend to remain stable over time. The 2026 results indicate that participating organisations have largely sustained awareness levels achieved in earlier cycles.

Overall insight

The building block results show a clear pattern: organisations have strengthened formal ethics systems and accountability, but everyday ethical dialogue is weakening. In practical terms, organisations appear to be demonstrating more ethical "walk", but less ethical "talk".

Industry, job-level and generational differences in ethical culture perceptions

We analysed ethical culture scores across industry, job level, and generational groups to understand how ethical culture is experienced across different segments of the workforce.



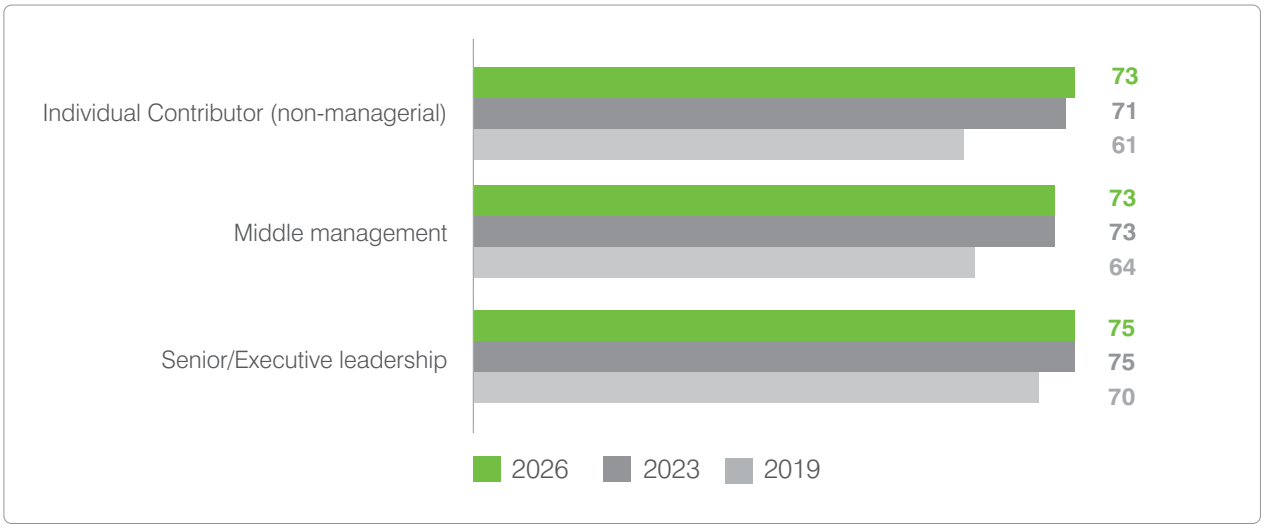
Industry comparisons of ethical culture 2019, 2023 and 2026

Ethical culture changes by industry

All sectors remain within the Developing category in 2026, but clear differences and trends are evident.

- **Stable and strong sectors:**
  Banking and Medical Services have remained relatively stable over time, reflecting the consolidation of earlier gains. Banking continues to perform comparatively strongly, likely supported by regulatory scrutiny and established compliance environments.
- **High-performing sector:**
  Finance, Insurance and Business Services shows the strongest improvement, reaching the highest score in 2026. This likely reflects strong regulatory oversight and formalised governance structures.
- **Sector in consolidation**
  Mining improved considerably between 2019 and 2023 before moderating slightly in 2026. Despite this decline, the sector remains well above its 2019 level, suggesting that earlier gains have largely been sustained.
- **Developing sector:**
  ICT shows moderate improvement but remains in the mid-developing range, reflecting the challenges of embedding ethics in fast-evolving environments.
- **Volatile sector:**
  Wholesale and Retail show the greatest fluctuation, with strong gains followed by decline, likely linked to operational and economic pressures.
- **Values-driven sector:**
  The NGO sector performs strongly in 2026. While no prior comparative data is shown, the relatively high score may reflect mission-driven alignment and values-based organisational cultures not uncommon for this type of organisation.

Ethical culture perceptions by job-level



Ethical culture index comparisons by job-level

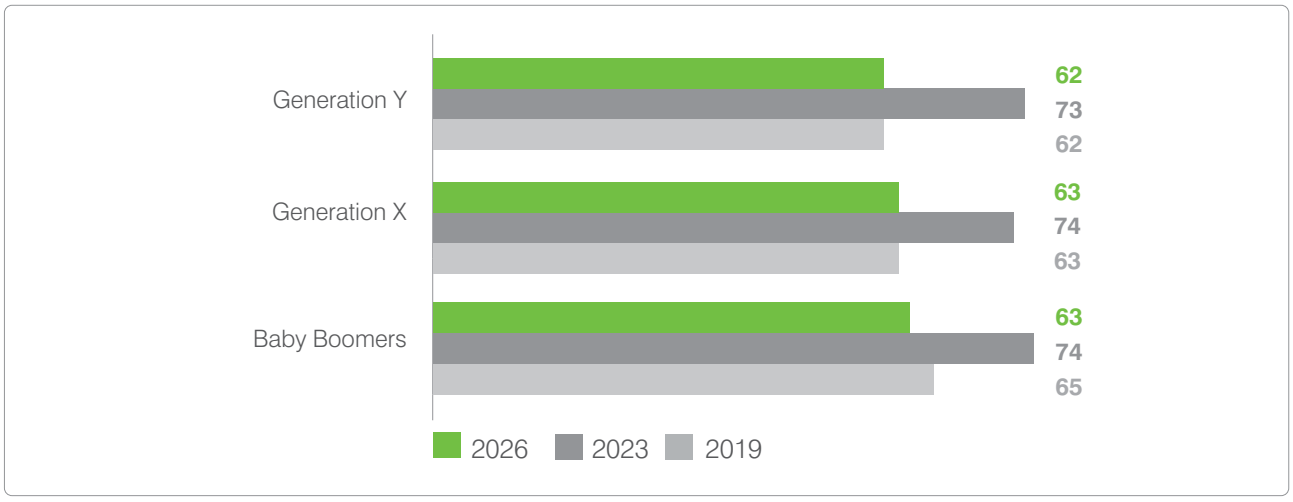
Ethical Culture Maturity by Job Level (2019–2026)

Ethical culture has improved across all job levels since 2019, with relative stability between 2023 and 2026. Notably, 2026 reflects greater alignment across hierarchical levels than in earlier cycles.

- Non-managerial employees show the strongest improvement (61 → 71 → 73), indicating meaningful strengthening of ethical culture at the operational level. By 2026, their perceptions are nearly aligned with management, suggesting a narrowing of hierarchical gaps.
- Middle management improved and stabilised (64 → 73 → 73), indicating consistent reinforcement of ethical standards. As the key "translation layer," this stability suggests that ethical expectations are being sustained in day-to-day operations.
- Senior leadership remains the highest-scoring group (70 → 75 → 75), sitting at the threshold of maturity. This reflects continued leadership commitment and alignment between ethical messaging and strategic direction.

This suggests stronger alignment between leadership intent and everyday organisational behaviour.

Ethical culture perceptions by generation



Ethical culture index comparisons by generation

For purposes of this analysis, generational groupings are defined as follows:

- **Baby Boomers**: Born 1946–1964
- **Generation X**: Born 1965–1980
- **Generation Y (Millennials)**: Born 1981–1996

Generational differences in ethical culture perceptions are relatively small, with all three groups clustering within a narrow range in 2026, indicating strong convergence. While all generations showed significant improvement in 2023, scores returned to levels similar to 2019 in 2026, suggesting that the earlier increase was temporary and followed by stabilisation. Overall, these findings indicate that ethical culture is shaped more by organisational systems and leadership than by generational differences and is experienced consistently across age groups.

How does ethical culture relate to (un)ethical conduct

A key finding from the 2026 SABES is the strong relationship between ethical culture and employee behaviour. The data shows a significant negative correlation ($r = -0.50$) between ethical culture maturity and the frequency of observed unethical conduct. In simple terms, as ethical culture improves, unethical behaviour decreases. This relationship is both statistically and practically meaningful, indicating that ethical culture plays an important role in shaping behaviour in organisations.

Approximately 25% of the variation in unethical conduct is associated with ethical culture, representing a substantial effect in organisational contexts. This finding strengthens the case for ethical culture as a behavioural risk indicator. Historically, ethical culture has often been viewed primarily as a governance or compliance concept, with limited direct linkage to measurable conduct outcomes. The 2026 results provide clear evidence that ethical culture is not only measurable, but also closely linked to how employees behave in practice.

This has important implications for organisations. If ethical culture is meaningfully related to conduct, then assessing ethical culture becomes far more valuable for:

- Diagnosing behavioural risk areas
- Designing targeted interventions
- Strengthening risk management strategies

Ethical culture can therefore be understood not only as a governance requirement, but as a practical lever for influencing behaviour and reducing misconduct.

Key drivers of behaviour

Building on this relationship, specific dimensions of ethical culture that most strongly influence employee behaviour were identified.

The findings indicate that ethical behaviour within organisations is primarily shaped by leadership, fairness, and accountability. The dimensions most closely associated with lower levels of unethical conduct are:

- Middle management commitment to ethics
- Leadership commitment to ethics
- Ethical treatment of employees

This pattern is consistent with the 2023 findings, where these dimensions also emerged as the most influential drivers of behaviour.

These results suggest that employee conduct is shaped largely by how ethics is demonstrated and reinforced in practice. In particular, the behaviour of both middle and senior management, together with the fairness of organisational processes, plays a central role in influencing ethical decision-making. Employees appear to respond more strongly to lived experiences of ethics than to formal policies alone.

Ethics accountability and ethics talk remain important influences on ethical behaviour, although their influence shows some moderation compared to 2023. This may indicate a shift from a period of rapid improvement to one of consolidation, where systems remain in place but their relative impact on behaviour is stabilising.

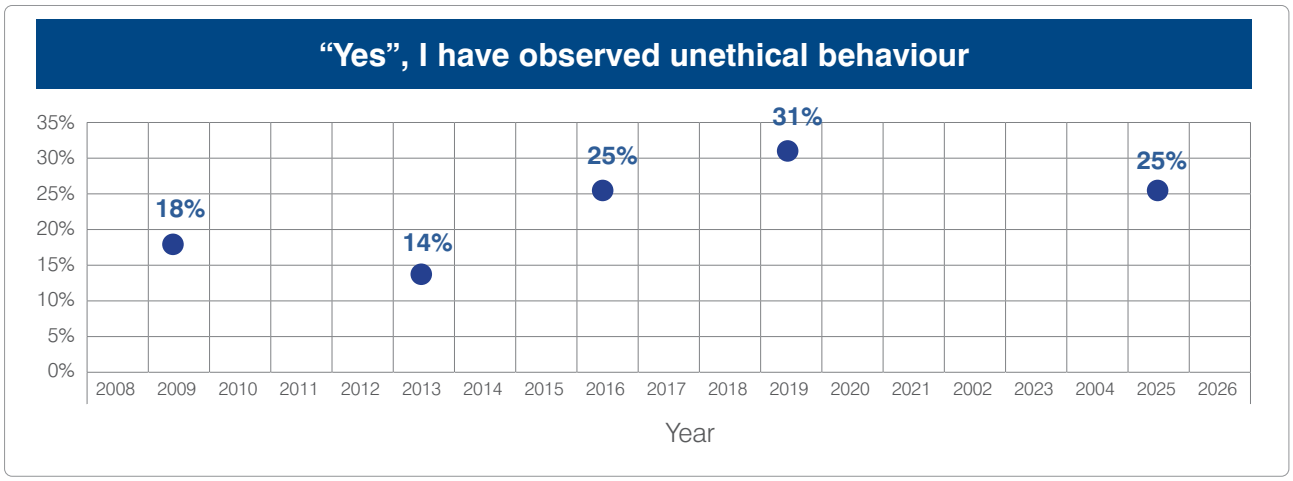
By contrast, ethics awareness and non-managerial employee commitment demonstrate comparatively weaker relationships with behaviour. While these elements remain necessary, the findings indicate that awareness and individual alignment are not sufficient on their own to meaningfully reduce misconduct without consistent reinforcement through leadership and organisational practices.

Overall, the results point to a clear conclusion: unethical conduct is most effectively reduced where ethical expectations are actively reinforced through leadership behaviour, fair treatment of employees, and consistent accountability mechanisms. Ethical behaviour is shaped less by what employees are told, and more by what they experience in practice.

Misconduct Reporting and Speak-Up Behaviour

An important indicator of ethical culture maturity is whether employees feel able and willing to report misconduct when they observe it. Reporting behaviour (often referred to as "speak-up behaviour") functions as an early warning mechanism within organisations and is closely linked to perceptions of fairness, accountability, and psychological safety.

Exposure to Unethical Conduct

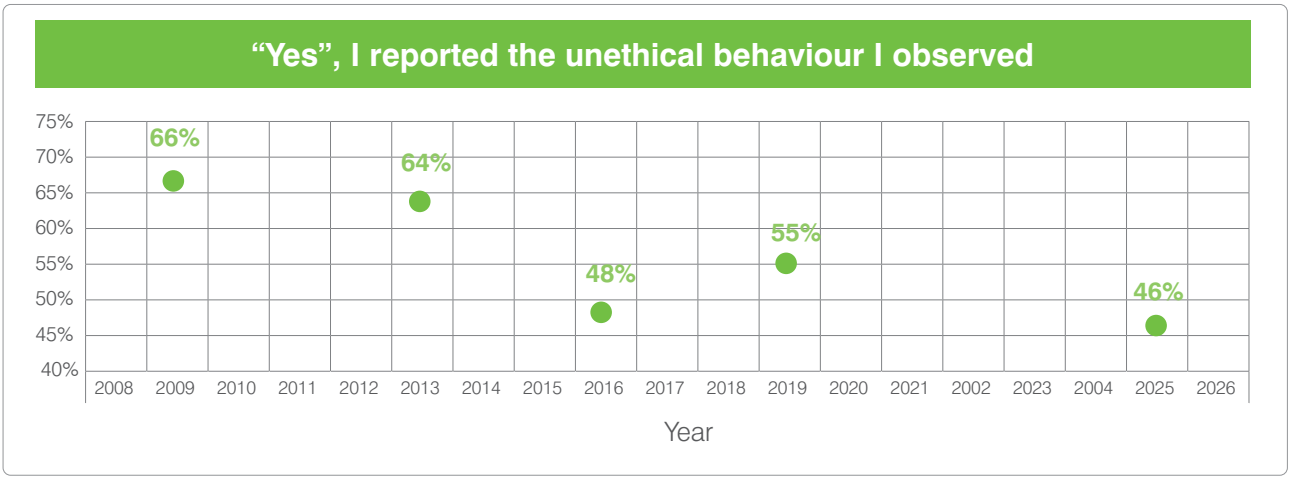


Approximately 25% of respondents indicated that they had personally observed or encountered unethical behaviour in the past year, while 75% reported that they had not. This suggests that one in four employees were directly exposed to misconduct during the reporting period.

Although this reflects a reduction from the peak observed in 2019 (31%), it remains higher than earlier periods, indicating that exposure to unethical behaviour continues to represent a meaningful organisational risk. The findings also suggest that misconduct remains visible within organisations rather than isolated or hidden.

From a cultural perspective, this level of exposure indicates that ethical risks are experienced at an operational level, and not only through systems, policies, or governance structures. Importantly, observed misconduct reflects employees' lived experience, making it a strong indicator of how ethical culture is functioning in practice.

Reporting of Unethical Conduct

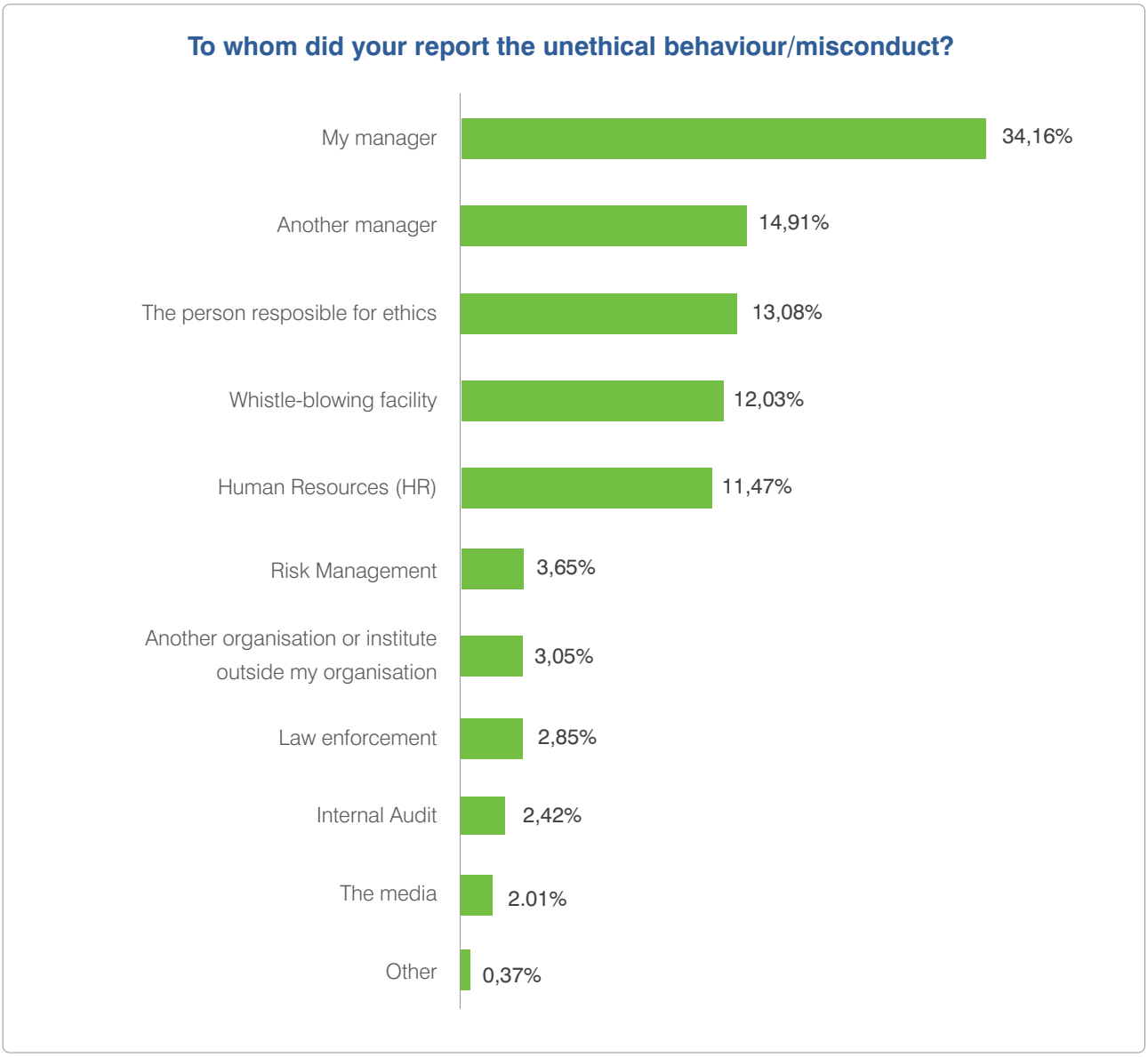


Among those who observed misconduct, 46% indicated that they reported the behaviour, while 54% did not.

While this indicates that reporting mechanisms are being used, the overall pattern points to a gap between awareness and action. Employees are noticing unethical behaviour, but many are choosing not to report it. As a result, a substantial proportion of misconduct remains unreported, representing both a governance risk and a cultural signal.

Reporting rates have declined over time, suggesting that willingness to speak up may be weakening, even where exposure remains relatively stable. This is a critical signal, as effective reporting is a key mechanism through which organisations detect and address misconduct.

Reporting Channels



Among employees who reported misconduct, most reports were made through line management, with nearly half directed to a direct or another manager. This highlights the central role of managers as the primary entry point for reporting, and underscores the importance of their responsiveness, credibility, and ability to handle concerns appropriately.

Formal ethics and whistle-blowing channels were used less frequently, although they still represent an important alternative mechanism. External reporting to law enforcement, media, or other institutions remains low, suggesting that employees generally prefer to resolve issues internally when they choose to report.

This pattern indicates that reporting behaviour is influenced not only by the availability of formal channels, but by trust in immediate management and the broader organisational system.

Reasons for Not Reporting

Among employees who observed misconduct but did not report it, the most frequently cited reasons were:

- I did not believe that anything would be done – 16%
- I believed I would be victimised – 15%
- I did not believe I could report anonymously – 13%
- I did not believe I could report confidentially – 8%

These findings indicate that the main barriers to reporting are perceived ineffectiveness and fear of negative consequences. Additional concerns included fear more broadly, fear of job loss or personal safety, not wanting to stand out, and uncertainty about how to report.

Importantly, only a small proportion of respondents indicated that the behaviour was not serious or was justified. This suggests that non-reporting is not driven by indifference, but rather by perceived risk and limited trust in the reporting system.

In practice, employees are often aware of misconduct but choose not to report it when they believe it is unsafe or unlikely to lead to meaningful action.

Overall speak-up insight

The findings point to a clear pattern: misconduct is visible to employees, but reporting is not consistently actioned.

This suggests that the key challenge is not awareness of unethical behaviour, but confidence in the reporting system. Where employees trust that concerns will be addressed fairly, confidentially, and without negative consequences, they are more likely to speak up. Conversely, where trust is limited, under-reporting is likely to persist — regardless of the presence of formal reporting mechanisms.

CLOSING THOUGHTS AND OVERVIEW

The 2026 SABES presents a clear and nuanced picture of ethical culture in the private sector. Ethical culture maturity remains within the Developing category, with sustained improvement since 2019 and consolidation in 2026. Organisations have largely retained the structural and behavioural gains achieved in earlier cycles, reflecting continued investment in ethics management systems, leadership commitment, and accountability mechanisms.

Importantly, the findings confirm that ethical culture is behaviourally consequential. The strong relationship between ethical culture maturity and unethical conduct demonstrates that stronger cultures are associated with lower levels of misconduct. Leadership behaviour, fairness, and accountability emerge as the most influential drivers of ethical outcomes, reinforcing that employees respond primarily to how ethics is demonstrated and experienced in practice.

At the same time, a contrasting pattern is evident. While organisations appear to be strengthening behavioural reinforcement and consequence management, there is a noticeable softening in everyday ethical dialogue ("ethics talk"). Scores for ethics talk have declined over time, suggesting that although organisations are increasingly "walking the talk," they may be talking less about ethics in daily organisational life.

This shift is further reflected in speak-up behaviour. Misconduct remains visible to employees, yet more than half of observed incidents go unreported. The primary barriers to reporting — lack of confidence that action will be taken, fear of victimisation, and concerns about confidentiality — point to gaps in trust and psychological safety. Employees appear more comfortable reporting to line management than to formal structures, reinforcing that ethical culture is experienced as relational rather than purely procedural.

Taken together, the findings suggest that organisations have made meaningful progress in strengthening the "walk" of ethics through systems, leadership, and enforcement. However, the "talk" of ethics — open dialogue, employee voice, and confidence in speaking up — requires renewed attention.

This indicates a transition point in ethical culture maturity. Organisations have moved beyond establishing formal systems, but have not yet fully achieved internalisation, where ethics is consistently discussed, owned, and embedded in everyday behaviour across all levels

The central conclusion of the 2026 SABES is therefore both encouraging and cautionary:

Ethical culture in the South African private sector appears stronger in practice and enforcement, yet continued investment in ethical dialogue, psychological safety, and reporting trust will be essential to ensure that behavioural integrity is not only enforced — but openly owned.

Ultimately, the next phase of maturity will require organisations not only to enforce ethical standards, but to ensure that ethics is openly spoken, confidently acted upon, and collectively owned.

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