Code of Conduct Report

Turning policy into practice

Table of contents

Executive summary

Navigating workplace ethics isn't always clear or straightforward. Employees often face ethical dilemmas where the distinction between "right" and "wrong" may not always be obvious — especially in situations involving issues like personal relationships, gifts or the misuse of company resources. How employees respond in these moments can have serious ramifications that can extend into an organization's operational health if aspects like company assets or information are compromised.

For most organizations, achieving that understanding starts with the adoption of a Code of Conduct — a foundational set of policies that help to define ethical behavior and set clear expectations for employees. These Codes offer valuable guidance on what doing the right thing means within an organization and provide direction on handling ethical dilemmas to avoid potential legal or reputational harm.

However, simply implementing a Code of Conduct alone is not enough. To be effective, employers must help bring those principles to life by translating them into practical, everyday actions. What does "doing the right thing" look like in real situations? Why is one choice better than another? And what should employees do when they find themselves in a gray area facing an ethical dilemma? Without clear guidance and strategic reinforcement, even well-written codes can fall flat — leaving employees unsure and organizations exposed to avoidable risks.

To better understand how employees perceive their organization's Code of Conduct, how clear and actionable it is and how much training supports it, Traliant conducted a survey of 1,032 US-employed adults working in hospitality, healthcare, retail, industrial/manufacturing, and office/professional settings in other industries with more than 100 employees. The findings reveal a critical gap between awareness and action: while most employees say they understand their organization's Code, many report difficulty applying it in real-world situations.

More than one-third of respondents (37%) reported they were unsure how to proceed when faced with an ethical situation. Additionally, younger employees were more likely to report uncertainty, pointing to generational differences in how Codes of Conduct are understood and applied.

These insights signal a need to strengthen the connection between policy and practice. Without clear, relatable guidance and ongoing support, employees may struggle to navigate real-world situations and lack the confidence or tools to respond appropriately when ethical challenges arise — potentially exposing organizations to costly legal, compliance and reputational risks.

Without clear guidance and strategic reinforcement, even well-written codes can fall flat — leaving employees unsure and organizations exposed to avoidable risks.

Key findings

These findings offer valuable insight to help organizations better align their Code of Conduct with the everyday challenges employees face, emphasizing the need for clearer guidance, more relevant training and practical support that reflects the workplace. Addressing these gaps can help improve ethical decision-making and reduce the risk of unintentional violations.

Defining the generations

Gen Z (1997 and later)

Millennial (1981 - 1996)

Gen X (1965 - 1980)

Baby Boomer (1946 - 1964)

More than half (57%) of those surveyed reported they've **observed behavior at work** that seemed like a **potential violation of the company's Code of Conduct.**

72% of Baby Boomers said they had **never faced an ethical situation** at work where they were **unsure how to proceed.** But **younger generations have shown less confidence,** with just **51% of Gen Z respondents feeling the same.**

Almost one in four (22%) of respondents have been in a situation where t**hey later realized or learned their actions may have violated the Code of Conduct** but were **unaware at the time.**

Over half (54%) of respondents said **ethical decision-making at their company could be improved with clearer examples and scenarios** in training that **reflect real workplace situations.**

The state of Code of Conduct

No matter where an individual finds themselves employed, there's a very real chance they will encounter an ethically ambiguous situation at some point from accepting gifts to personal relationships in the workplace. In fact, over half of the surveyed respondents (57%) said they had observed behavior at work that seemed like a potential violation of the company's Code of Conduct, and 37% have encountered a situation themselves where they felt unsure how to proceed.

Defining the terms

A **Code of Conduct** is a formal set of guidelines that outlines the ethical standards, values and expected behaviors for employees within an organization. It serves as a practical roadmap for making responsible decisions, fostering integrity and maintaining a respectful workplace culture.

Have you ever observed behavior at work that seemed like a potential violation of your company's Code of Conduct?
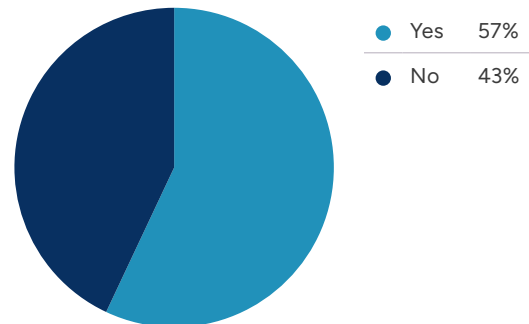
- Yes 57%
- No 43%

Have you ever faced an ethical situation at work where you were unsure how to proceed?
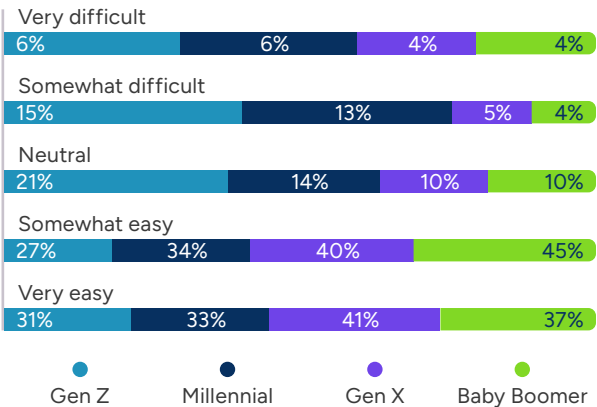
- Yes 37%
- No 63%
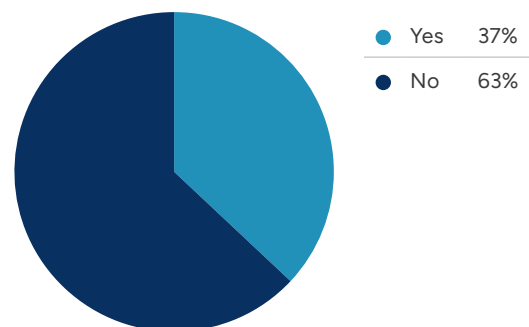
And while most respondents said they were able to understand and easily find information on their employer's Codes of Conduct, in practice the results don't always align — especially among different age groups.

Data shows Gen Z employees have more difficulty understanding exactly what information their Codes of Conduct contain when looking at the reception of Codes of Conduct by generation. Only 57% of Gen Z respondents said that it was easy, or very easy, to find and understand the information in their company's Code of Conduct.

Comparatively, 81% of Gen X and 82% of Baby Boomers said this information was easy, or very easy, to find. This gap suggests younger employees may be navigating the workplace without the clarity or guidance they need, leaving them potentially unprepared to handle ethical dilemmas.

These differences indicate a clear need for increased exposure to the organization's Code of Conduct — starting with better accessibility. When the Code is easy to find, understand and engage with, employees at all levels are more likely to internalize key policies and apply them effectively in real-world situations.

How easy is it to find and understand the information contained in your company's Code of Conduct?

	Gen Z	Millennial	Gen X	Baby Boomer
Very difficult	6%	6%	4%	4%
Somewhat difficult	15%	13%	5%	4%
Neutral	21%	14%	10%	10%
Somewhat easy	27%	34%	40%	45%
Very easy	31%	33%	41%	37%

● Gen Z　　● Millennial　　● Gen X　　● Baby Boomer

There is a clear need for increased exposure to the organization's Code of Conduct — starting with better accessibility. When the Code is easy to find, understand and engage with, employees at all levels are more likely to internalize key policies and apply them effectively in real-world situations.

However, improving accessibility goes beyond simply making the document available. It requires ongoing training and communications to keep the Code top of mind. This includes incorporating the values and expectations outlined in the Code into the training, offering regular refresher courses and reinforcing key messages through timely communication — all of which help ensure employees not only understand its principles but are equipped to apply them with confidence.

Among respondents, another clear gap emerged between generations when it comes to actually addressing these ethical situations. Where only 28% of Baby Boomers said they had encountered an ethical situation at work where they did not know how to proceed, this percentage almost doubled for Gen Z respondents (49%) asked the same question. Likewise, Millennials followed close behind with 41% reporting they had faced ethical situations where they were unsure of how to proceed.

Have you ever faced an ethical situation at work where you were unsure how to proceed?

Yes
| 49% | 41% | 31% | 13% |

No
| 51% | 59% | 69% | 51% |

● Gen Z ● Millennial ● Gen X ● Baby Boomer
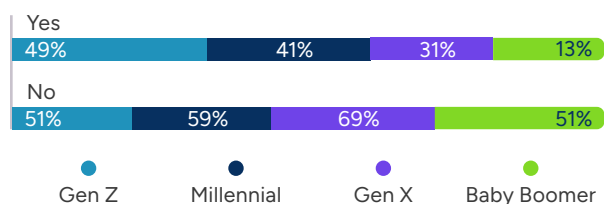
Have you ever been in a situation where a personal relationship or outside interest could influence your work decisions?

Yes
| 44% | 28% | 19% | 13% |

No
| 56% | 72% | 81% | 87% |

● Gen Z ● Millennial ● Gen X ● Baby Boomer
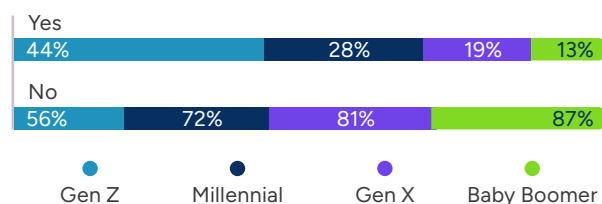
Now, the ways these situations present themselves to employees often differ. In the case of situations where a personal relationship or outside interest might influence work decisions, an overwhelming 87% of Baby Boomers said they had never been in this position, compared to only 56% of Gen Z respondents. Additionally, Millennials and Gen Z respondents were also more likely to have encountered situations where they were offered gifts, meals, and other forms of hospitality at work — 60% of Millennials and 62% of Gen Z responded yes. For Baby Boomers (43%) and Gen X (41%) these encounters were cited less often.

Help keep your Code top of mind for you employees by:

· Incorporating the values and expectations in the Code into training

· Offering regular refresher courses

· Reinforcing key messages through timely communication

Differences like these suggest variation across sets of employees in their experiences, perceptions and even in how they define what constitutes an ethical dilemma. What feels like routine or benign to one group may raise red flags for another. As norms and expectations shift, Gen Z and Millennials — who have entered the workforce in a more compliance-conscious culture — may be more attuned to ethically gray areas that previous generations may have once dismissed as 'just joking around' or 'part of the culture.'

This reinforces how important it is to provide clear, practical guidance that reflects the realities employees actually face. To ensure everyone feels empowered and equipped to handle ethical situations appropriately, companies need to go beyond merely establishing a Code of Conduct. They must deliver in-depth, regular training tailored to their unique workforces.

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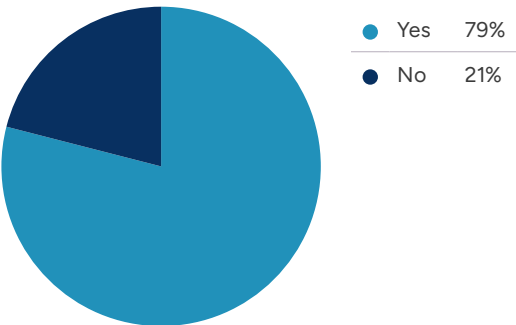
Code of Conduct training

While a majority of respondents (79%) reported having received training on their company's Code of Conduct, nearly one in five did not — leaving a considerable portion of the workforce without essential guidance. A significant problem, particularly as younger generations of employees indicate they are experiencing ethical situations more frequently and are unsure what to do in these scenarios.
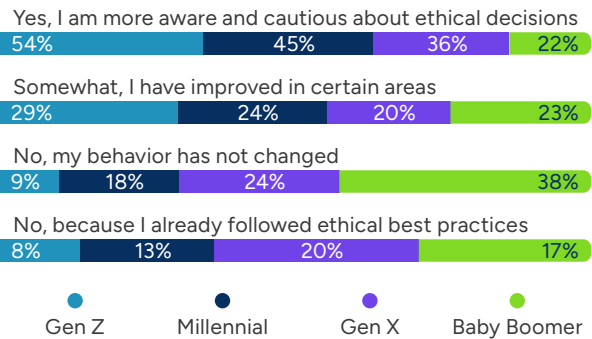
Of those who are receiving training, 93% said that the training at least somewhat prepared them to handle ethical dilemmas at work. But since completing training, we see a stark difference across the generational divide — 54% of Gen Z respondents said they had changed their behavior since receiving training by being more aware and cautious of their ethical decisions, while just 38% of Baby Boomers respondents said the same. This may stem from Baby Boomers' perceptions that they're already following the best ethical practices.

Have you received any training on your company's Code of Conduct?

● Yes 79%
● No 21%

Since completing training, have you changed the way you handle ethical situations at work?

Yes, I am more aware and cautious about ethical decisions
54% | 45% | 36% | 22%

Somewhat, I have improved in certain areas
29% | 24% | 20% | 23%

No, my behavior has not changed
9% | 18% | 24% | 38%

No, because I already followed ethical best practices
8% | 13% | 20% | 17%

● Gen Z   ● Millennial   ● Gen X   ● Baby Boomer

Younger generations of employees indicate they are experiencing ethical situations more frequently and are unsure what to do in these scenarios.

Training that is relevant and impactful is critical. When training is overly generic or disconnected from real workplace scenarios an employee may experience, they are less likely to remember the information down the line. Without a strong sense of connection to the training at hand, an employee may find themselves unprepared to act appropriately when faced with a real-world dilemma.

Effective training should mirror the real ethical challenges that employees may face. Real-world examples help them better understand how to apply the policies outlined within the Code of Conduct, sharpening decision-making skills and even help employees recognize potential issues before they arise. When training is tailored to address an organization's specific needs, it allows employers to prioritize the topics most relevant to their operations. While common areas of focus include gifts and entertainment, use of company assets, and conflicts of interest, the scope can extend well beyond these subjects. Employers can further tailor training by diving deeper into nuanced or industry-specific areas.

How relatable was the training to your daily work?

●	Extremely relatable	18%
●	Very relatable	41%
●	Somewhat relatable	33%
●	Not very relatable	7%
●	Not at all relatable	1%
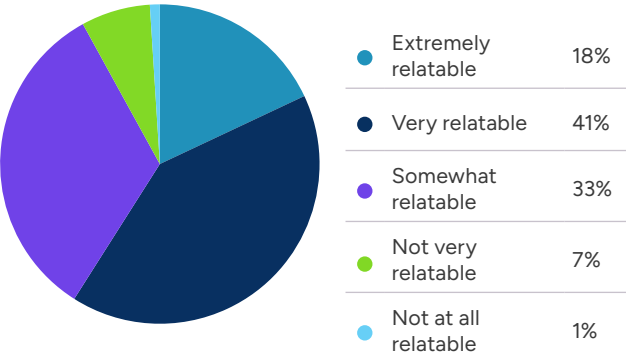
For those that have had some form of training around their organization's Code of Conduct, only about half (59%) said that it was either very or extremely relatable to their daily work. Another 33% said the training was only somewhat relatable.

Without a strong sense of connection to the training at hand, an employee may find themselves unprepared to act appropriately when faced with a real-world dilemma.
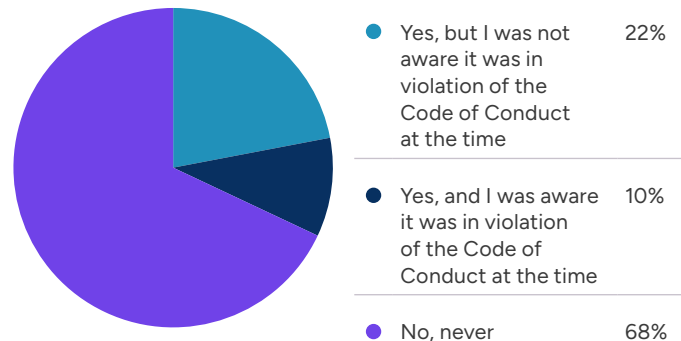
The survey also found that one-fifth (22%) of respondents had been in a situation where they later realized or learned their actions may have violated the Code of Conduct but were unaware at the time. This demonstrates the importance of training employees early on in a company's Code of Conduct.

Code of Conduct training also needs to cover how to report potential violations that are observed. This helps ensure situations are investigated, especially if company assets or information are at risk. Encouraging timely and transparent reporting is essential for maintaining a culture of accountability and integrity. However, a lack of confidence in the reporting process or fear of retaliation can discourage employees from coming forward. Of those surveyed who have witnessed behavior at work that seemed like a potential violation of their company's Code of Conduct, only 61% escalated to a manager or HR — this leaves more than a third of instances (39%) going unreported.
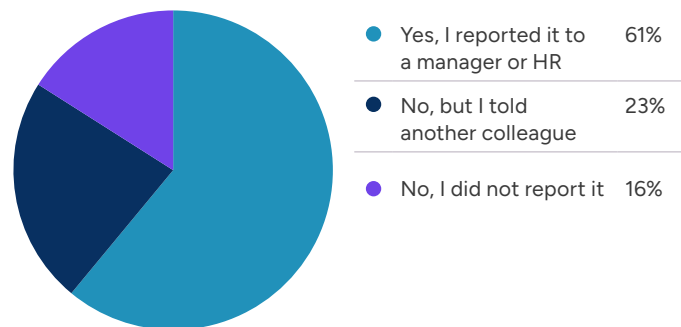
Over 39% of observed behavior that may seem like violations goes unreported to HR

Have you ever been in a situation where you later realized or learned your actions may have violated the Code of Conduct?

Yes, but I was not aware it was in violation of the Code of Conduct at the time	22%
Yes, and I was aware it was in violation of the Code of Conduct at the time	10%
No, never	68%

Did you report it?

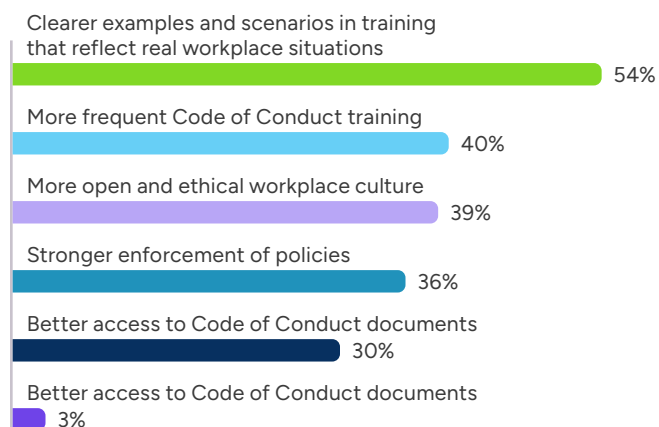|	
Yes, I reported it to a manager or HR	61%
No, but I told another colleague	23%
No, I did not report it	16%

Conclusion

A robust Code of Conduct is essential for fostering an ethical, accountable workplace — but policy alone isn't enough. This report reveals that while most employees believe they understand their Code, many still struggle to apply it in ethically complex situations, particularly younger employees.

Organizations must embrace ongoing, practical training that is relevant, relatable and aligned with real workplace experiences. Clearer examples, scenario-based learning and more frequent touchpoints can help employees act with confidence, not confusion, when faced with ethical dilemmas.

While most employees (68%) receive Code of Conduct training annually, that training doesn't necessarily leave employees exuding confidence. As workplace dynamics continue to evolve, training must reflect the real-world scenarios employees are likely to face regardless of age, background or experience level. It must also be accessible to everyone — because it only takes one misstep to put the entire organization at risk.

What do you believe would help improve ethical decision-making at your company?

Clearer examples and scenarios in training that reflect real workplace situations
54%

More frequent Code of Conduct training
40%

More open and ethical workplace culture
39%

Stronger enforcement of policies
36%

Better access to Code of Conduct documents
30%

Better access to Code of Conduct documents
3%

When employees are equipped with both clear policies and the tools to apply them, they become more than compliant — they become advocates for a culture of ethics and accountability.

Leaders should also lead by example when it comes to the Code of Conduct, making it clear that how results are achieved matters just as much as the results themselves. That's why Code of Conduct training should be a standard for managers and employees across organizations of all sizes, not just publicly traded ones, due to the potential impact of even a single violation.

A strong Code of Conduct is a requirement for navigating today's business landscape — especially amid increasing regulatory scrutiny, evolving compliance expectations, and heightened public accountability. In an environment where market uncertainty is the norm and new regulations are being introduced and revised at a rapid pace, many employers are under pressure to understand what these changes mean for their culture, operations and people. A clearly defined Code of Conduct does more than outline expectations — it reinforces a company's core values and helps eliminate confusion for employees by offering consistent guidance especially in times of uncertainty. Now more than ever, organizations should be re-examining their policies and updating training to ensure alignment with both current realities and future risks.

But organizations need to go a step further to ensure it's truly impactful and protects the company from legal and reputational fallout. Creating that impact is only possible when employees can easily locate, understand, and relate to, the policies outlined in the Code of Conduct, and it is accompanied by training that is both relatable and relevant for their industry. A robust Code serves as a roadmap for every employee, painting a clear picture of the steps to take should an ethical dilemma present itself. Pairing clear policies with engaging, real-world training enables businesses to foster a culture of transparency, accountability and ethical decision-making across the organization.

A clearly defined Code of Conduct does more than outline expectations — it reinforces a company's core values and helps eliminate confusion for employees by offering consistent guidance especially in times of uncertainty.

Top takeaways

Understanding does not always equate to preparedness

While most employees believe they understand their company's Code of Conduct, more than a third of employees (37%) said they weren't sure how to respond when faced with an ethically ambiguous situation. This highlights the need for scenario-based training that builds practical decision-making skills, not just awareness of policy.

Awareness gaps exist

In spite of the overall confidence, over one-in-five respondents (22%) have been in a situation where they realized their actions might violate the Code of Conduct but didn't recognize it at the time. Bridging this gap requires clearer guidance on gray areas and real-world examples that help employees recognize red flags in the moment.

Generational perspectives differ

There are distinct generational gaps in how employees see ethical situations, with Gen Z (49%) and Millennials (41%) more likely to report having encountered such an instance than Baby Boomers (28%). Tailoring ethics messaging and training to generational mindsets can help connect principles with employees' lived experiences and values.

Training must be relevant

Confidence in Code of Conduct training indicated that, while most employees found training generally applicable, over a third felt the training they received only applied 'somewhat' to their positions. Making training role-specific and context-rich ensures it resonates with employees' daily responsibilities and risks.

Methodology

The independent market research firm Researchscape conducted this online survey. Respondents were 1,032 US employed adults working in hospitality, healthcare, retail, industrial/manufacturing, office/professional settings and in other industries with 100+ employees. The survey was conducted in March 2025.

About Traliant

Traliant, a leader in compliance training, is on a mission to help make workplaces better, for everyone. Committed to a customer promise of "compliance you can trust, training you will love," Traliant delivers continuously compliant online courses, backed by an unparalleled in-house legal team, with engaging, story-based training designed to create truly enjoyable learning experiences.

Traliant supports over 14,000 organizations worldwide with a library of curated essential courses to broaden employee perspectives, achieve compliance and elevate workplace culture, including preventing sexual harassment, inclusion, code of conduct, and many more.

Backed by PSG, a leading growth equity firm, Traliant holds a coveted position on Inc.'s 5000 fastest-growing private companies in America for four consecutive years, along with numerous awards for its products and workplace culture. For more information, visit our website and follow us on LinkedIn.