

The Ethical Culture Masterclass Series

#1: Ethical Culture Measurement

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Executive Vice President and Chair of the
Business Ethics Leadership Alliance (BELA)*

Welcome!

1

**Ethical Culture
Measurement**



Erica Salmon Byrne, J.D.
Executive Vice President
and Chair of the Business
Ethics Leadership Alliance
(BELA)

2

**Ethical Culture
Strategy**



Douglas Allen, M.B.A.
Managing Director,
Data & Services

3

**Ethical Culture
Enablement**




Scott Stevenson, M.B.A.
Director, Culture
Services

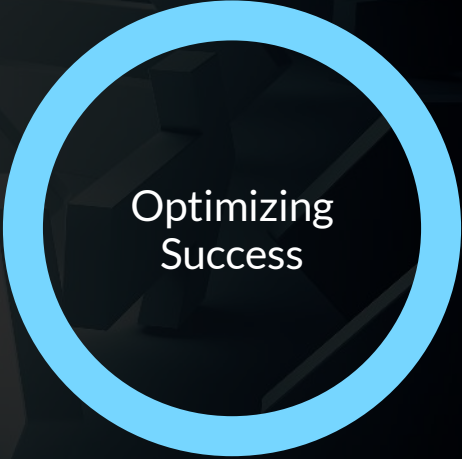
Today We Will Cover



The Eight Pillars
of Ethical
Culture



How to
Measure
Culture



Optimizing
Success



“With all due respect, that doesn’t mean it isn’t happening.”



Edelman





135 companies

22 countries

47 industries

2021 | WORLD'S MOST
ETHICAL
COMPANIES[®]
WWW.ETHISPHERE.COM

100%

Measure culture with surveys

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GOOD. SMART. BUSINESS. PROFIT.

2021 | WORLD'S MOST
ETHICAL
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WWW.ETHISPHERE.COM

73%

Use a survey focused on culture

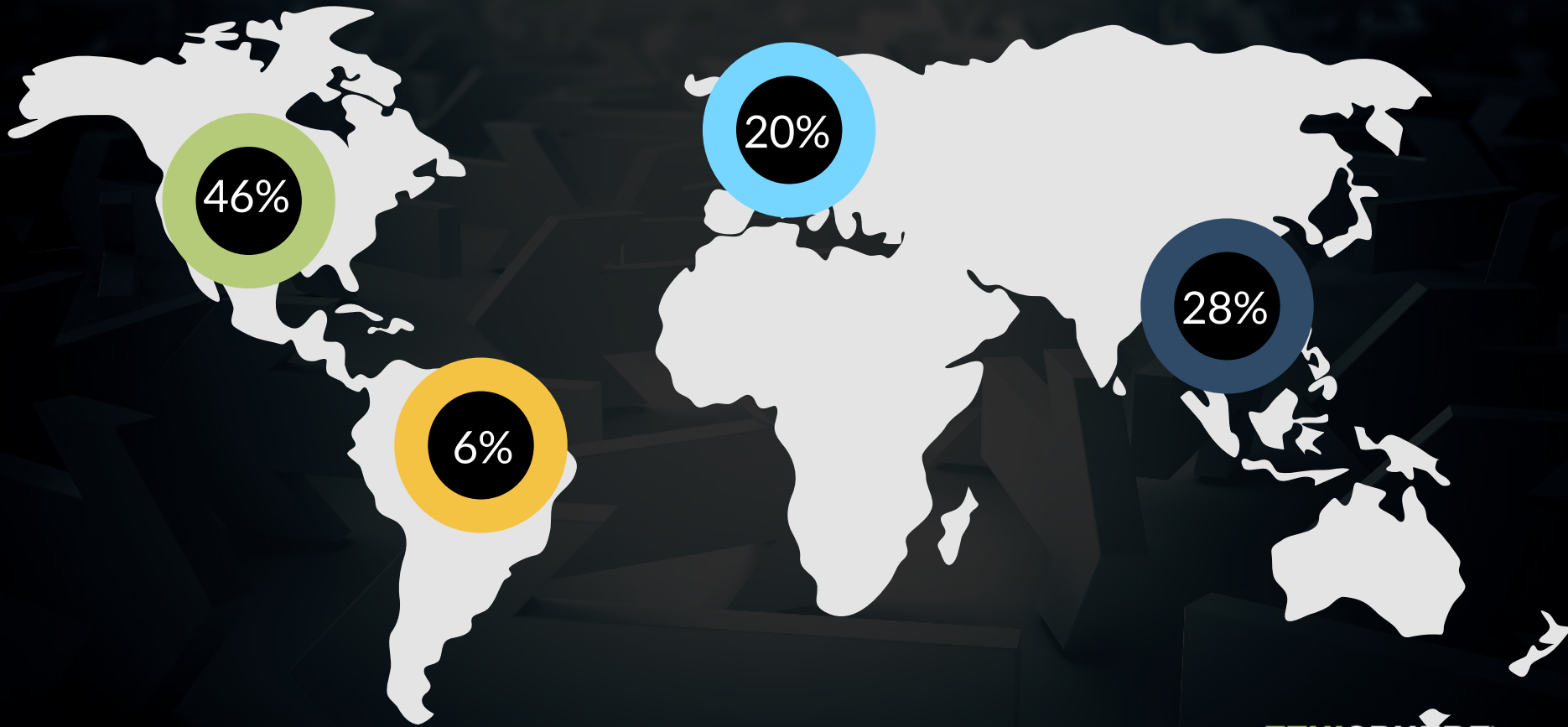
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Ethisphere's Culture Data

1.2m responses

150 surveys

8+2 pillars



THE EIGHT PILLARS OF AN ETHICAL CULTURE

- What to measure
- How to position your questions
- Common risk areas

1

Awareness of the program

5

Organizational justice

2

Perceptions of the function

6

Manager perceptions

3

Observing & reporting

7

Leadership perceptions

4

Perceived pressure

8

Peer perceptions

Pillar 1 - Awareness of the program

Do employees understand the resources available to them?

- Finding the Code of Conduct
- Ethical expectations
- How to report concerns



“Why should I say anything about it? I told you what he did last time, and clearly that hasn’t made any difference.”

Pillar 2 – Perceptions of the function

Are your efforts effective?

- Training and communications
- Policies
- Expectations

Pillar 3 – Observing & Reporting

Do you have strong speak-up culture?

- Reporting misconduct
- Observing unethical behavior
- Perceptions of retaliation



“I was afraid to report it, but I did make a TikTok about it.”

93%

willing to report

58%

actually report

93%

willing to report

58%

actually report

Employees often feel empowered to raise their hand, but in the moment fail to do so



Is the non-retaliation
policy enforced?

I reported the misconduct
I observed

Yes 73%

No 34%

Pillar 4 – Perceived pressure



“But do whatever you think is right.”

Strength and source of pressure to hit goals

- Type of compromise: laws, policies, code
- Source of pressure: leaders, customers, etc.
- Strength of pressure: weak, strong

Pillar 5 – Organizational justice



“Or what, you’ll report me?”

Is everyone equally accountable?

- Disciplinary actions are/not taken
- Rules applicable equally to all
- Concerns will be addressed

Pillar 6 – Manager perceptions

Do supervisors foster an ethical environment?

- Managers committed to ethical business
- Comfort in approaching managers
- Communications about ethics and compliance



“What exactly does everyone here have against the easy way out?”

My manager frequently
discusses E&C issues

My manager never
discusses E&C
issues

I'm comfortable
approaching my manager
with issues

I believe senior
leadership acts ethically

I reported misconduct
that I recently
observed

My manager frequently discusses E&C issues

My manager never discusses E&C issues

I'm comfortable approaching my manager with issues

97%

I believe senior leadership acts ethically

90%

I reported misconduct that I recently observed

66%

My manager frequently discusses E&C issues

My manager never discusses E&C issues

I'm comfortable approaching my manager with issues

97%

48%

I believe senior leadership acts ethically

90%

39%

I reported misconduct that I recently observed

66%

37%

Pillar 7 - Leadership perceptions



“When Milord tells that joke, you don’t call it inappropriate!”

Does leadership exemplify and advance ethical values?

- Conduct
- Values
- Communications

87%

believe leadership
promotes importance of
ethics

78%

believe leadership
consistently acts
ethically

I agree that leadership consistently acts ethically

I don't agree leadership consistently acts ethically

I believe a concern is investigated if reported

93%

I believe the non-retaliation policy is enforced

89%

I agree that leadership consistently acts ethically

I don't agree leadership consistently acts ethically

I believe a concern is investigated if reported

93%

52%

I believe the non-retaliation policy is enforced

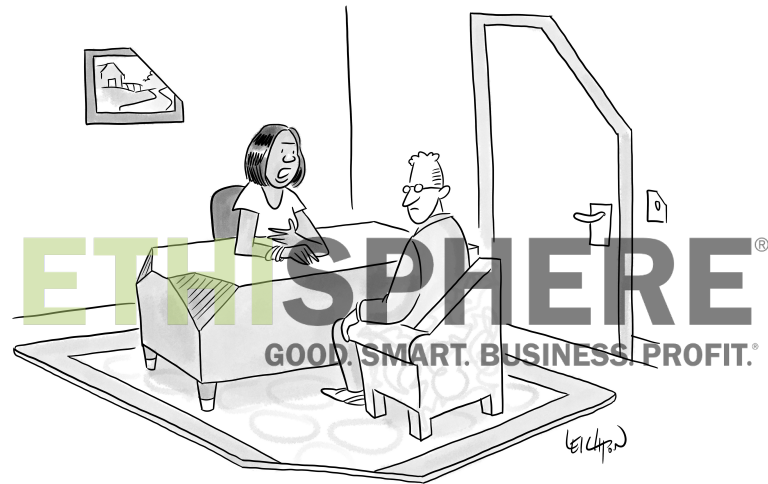
89%

56%

Pillar 8 – Peer perceptions

Does peers exemplify and advance ethical values?

- Taking personal responsibility
- Co-workers following the code
- Peers behaving ethically



“Us? Cut corners?”

HOW TO MEASURE CULTURE

- Survey type:
 - Dedicated E&C survey
 - Questions in a broader HR survey
 - Pulse surveys
- The survey process

TYPES OF SURVEYS

HR EMPLOYEE SURVEY

Questions in broader survey

DEDICATED CULTURE SURVEY

Focused on a culture of compliance

PULSE SURVEYS

Spot checks, deeper dive



"WELL, YES, I SUPPOSE ASKING WHAT YOU WISH FOR IS A KIND OF A SURVEY..."

The E&C Survey Process



- Define goals
- Finalize questions
- Develop outreach plan
- Translate as needed

- Test survey for content and accessibility
- Ensure IT security
- Conduct pre-survey communications

- Distribute survey
- Encourage participation through emails and outreach
- Track response rates

- Review and analyze data
- Conduct cross-data analysis
- Develop findings report(s)
- Share results with stakeholders

OPTIMIZING SUCCESS

- Building buy-in with leadership, HR, and other stakeholders
- Fostering employee engagement

Optimizing Success

BEFORE

- Align to Business Goals
- Build Buy-In with Stakeholders
- Prioritize – Data that Makes a Difference

DURING

- Make it Anonymous
- Make it Convenient
- Communicate the Importance

AFTER

- Benchmark Against Best Practices
- Communicate and Act on Results
- Repeat

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Top Three Takeaways



Ethical Culture
is Key to
Business
Success



Culture
Measurement
Guides
Improvement



Ethical Culture
is a Continuous
Process

Promote Your Participation:





Ethical Culture Measurement

Completed session 1 of the Ethisphere Ethical Culture Masterclass Series

<https://ethisphere.com/masterclass>

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Ethical Culture Strategy

Completed session 2 of the Ethisphere Ethical Culture Masterclass Series

<https://ethisphere.com/masterclass>

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Ethical Culture Enablement

Completed session 3 of the Ethisphere Ethical Culture Masterclass Series

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Tap additional resources at www.Ethisphere.com/Culture

Questions?

Contact: culture@ethisphere.com