

THE BEST OF BELA SERIES

Cultivating a Culture of Compliance:

Why an Ethical Culture is Important

What Peers Are Doing

Resources to Fast Track Improvements



ETHICAL CULTURE
ACCELERATOR
ASSESS.EXPLORE.TRANSFORM.

THE BEST OF BELA SERIES: CULTURE

Welcome

At Ethisphere, we are dedicated to advancing the standards of ethical business practices and codifying best practices so that organizations can build programs that align with stakeholder expectations and contribute to business success.

We do this by providing data-driven program and culture assessments, honoring superior integrity programs through World's Most Ethical Companies® recognition, and bringing together a community of industry experts with the Business Ethics Leadership Alliance (BELA).

This *Best of BELA* eBook focused on Culture brings together a range of resources and insights available to BELA members. It features data from Ethisphere's robust assessment datasets, case studies and peer practices shared at the Global Ethics Summit, in *Ethisphere Magazine*, and in the Ethicast podcast.

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OVERVIEW

Why an Ethical Culture Is Important



WHY FOCUS ON CULTURE?

An ethical culture matters – to employees, investors, and all stakeholders. Companies that have strong, values-based cultures are better places to work and poised for success.

When employees feel comfortable speaking up, everyone benefits. Issues can be addressed before they become front-page news, and employees are more empowered to contribute and innovate.

WHAT DEFINES AN ETHICAL CULTURE?

A robust culture of compliance answers three important questions:

- Do your employees know and understand what is expected of them when it comes to ethical behavior?
- Do they know where to go if they have questions?
- Are they willing to speak up?

8 Pillars of an Ethical Culture

Ethisphere has defined the foundational elements of an effective culture into the following eight pillars:

- Awareness of the E&C Program and Resources
- Perceptions of the Function
- Speaking Up
- Managing Pressure
- Organizational Justice
- Perceptions of Manager
- Perceptions of Leadership
- Perceptions of Peers and Environment

Resources

E-Book: 8 Pillars of an Ethical Culture

Download the eBook providing an in-depth look at the [8 Pillars of an Ethical Culture](#)

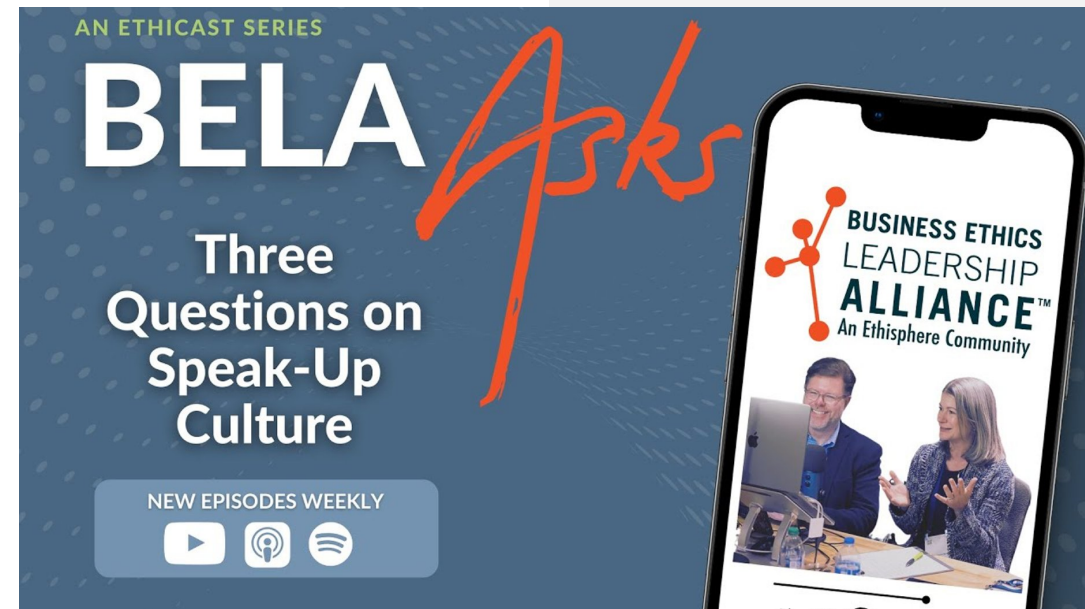
Report: Closing the Speak-Up Gap

Read about the importance of employees speaking up, why they aren't reporting, and how to bridge the gap. [Download the report here](#)

Ethisphere Magazine: Spotlight on Ethical Culture

Check out this special edition focused on how to measure and improve your ethical culture. Plus, hear how leaders at Eaton, Allianz Life, and others fostered a culture of compliance. [Read the magazine here](#)

Check the [Ethisphere Resource Center](#) for more insights



PEER PRACTICES

Culture Data Highlights





Peer Practices

In this section, learn how leading organizations are addressing culture, with highlights from Ethisphere's robust datasets:

Ethical Culture: representing the views of 3+ million employees across 400 companies that have engaged with Ethisphere to conduct an ethical culture assessment

The World's Most Ethical Companies: practices of honorees that have earned recognition for their programs and practices to advance business integrity

[ECCP Guidance: Speak-Up Culture](#)

[Deep Dive: Managers](#)

[Deep Dive: Pressure](#)

[Deep Dive: Organizational Justice](#)

SPEAK-UP CULTURE AND ANTI-RETALIATION

The Guidance

In the U.S. Department of Justice's 2024 Evaluation of Corporate Compliance Program (ECCP) update, companies are expected to do the following to foster a speak-up culture:

- Encourage and incentivize employees to speak up and determine if anything is discouraging employees to speak up
- Measure employee willingness to report and train employees on internal and external reporting channels
- Have an anti-retaliation policy in place
- Train employees on both internal and external anti-retaliation and whistleblower protection policies, procedures, and laws
- Determine if employees who reported misconduct are treated differently than the employees who were involved in misconduct but did not report it

Insights

This focus on speaking up is not new; the DOJ has been discussing building a strong speak-up culture to support voluntary disclosure for some time now.

The language used around both internal *and* external mechanisms to raise concerns is amplified compared to prior iterations of the ECCP.

Some of the language around external reporting mirrors what we have seen in the human rights sector, with a focus on listing external channels in your discussion around raising concerns.

Given the breadth of the DOJ's remit, however, this expansion is notable.

Peer Practices

74% of World's Most Ethical Companies honorees **measure their ethical culture** through a standalone ethical culture or compliance program perception survey

- *For those using employee engagement surveys, that number jumps to **92%***

82% World's Most Ethical Companies honorees **incentivize their employees** to act ethically through formal recognitions and a communication of the recognition or award

51% of World's Most Ethical Companies honorees follow up with reporters to see if they **felt retaliation**

93% of employees say they would report workplace misconduct if they witnessed it. But when the moment of truth arrives, only **50%** actually report. The most common reasons cited are fear of retaliation and professional harm.

DEEP DIVE: MANAGERS

Importance

Managers throughout the organization are the single most influential factor in establishing and maintaining a healthy ethical culture.

Managers, due to their elevated roles, become the most accessible models for how to succeed and advance your career path within an organization.

Ensuring managers are modeling the type of decision-making and leadership behaviors that align with the organization's ethical standards and directives is of paramount importance.

When employees feel comfortable raising ethical concerns, they are more likely to share new product ideas, client challenges, and much more. Preparing managers to lead teams where everyone is comfortable using their voice is time well spent.

Tips For Your Program

- Provide managers with a variety of resources that facilitate organic discussions about ethics and compliance-related topics or issues.
- Develop communication assets with appropriate context that anchors the messaging in the “lived” employee experience.
- Establish appropriate metrics – and rewards – performance and adherence to ethical standards.
- Facilitate peer-to-peer knowledge transfer between managers to disseminate practical behaviors and efforts that amplify messaging from the central ethics and compliance function. Champion managers that are doing this at a high level.

Peer Practices

Ethisphere's dataset representing the views of 3+ million employees across 400 organizations shows that:

88% of employees view their manager as a **role model for ethical behavior**

89% are comfortable approaching their manager with issues or questions related to **ethical conduct**

Did You Know?

Employees are more than *twice as likely to be comfortable approaching their manager if there are at least quarterly discussions* of ethics or compliance related issues/topics by managers



DEEP DIVE: PRESSURE

Importance

In a push for profits, an organizations can sometimes unintentionally elicit risky behaviors that are unethical and illegal. An organization that emphasizes results “at any cost” lives on borrowed time.

Organizations that encourage and reward efforts to achieve business objectives while adhering to the company’s values and legal obligations set the stage for sustainable operational excellence.

Quite often, managers and other leaders who are not talking about how to achieve objectives in the right way aren’t opposed to doing so – they just see it as someone else’s job to share that part of the message.

In other cases, managers are instigators of bad behavior, particularly in regions where actions, such as bribes, are an accepted norm.

Tips for Your Program

- While some level of pressure is natural in a business environment, it’s crucial to focus on how goals are achieved, not just what is achieved.
- Celebrate moments where an employee elects to do the right thing and protect the organization’s reputation versus making a sale by unethical means – preferably in front of colleagues if possible. Public praise matters.
- If ethical culture survey data indicates where employees feel the pressure to compromise is coming from, use this information to pinpoint specific teams or processes contributing to the issue. Tailor remediation strategies to address the unique challenges faced by each group, as the sources and solutions may differ significantly across teams.

Peer Practices

Ethisphere's dataset representing the views of 3+ million employees across 400 organizations shows that:

25% of respondents feel pressure to compromise the Company's Code, policies, laws, rules, or regulations to achieve business goals (or declined to answer the question).

Those in positions of authority are most often cited as the source of pressure:

- **36%** senior leadership
- **30%** my immediate manager
- **32%** middle management



DEEP DIVE: ORGANIZATIONAL JUSTICE

Importance

The act of stepping forward to raise a concern is courageous. Employees want to know this act will be respected by the organization and action will be taken to properly address the concern.

Perceptions of organizational justice hinge on employees believing the rules apply equitably to everyone and that no individual – regardless of stature within the organization – is above the consequences of misconduct. When an organization fails to create this sense of equality, it introduces a corrosive force that runs against efforts to establish and maintain a speak-up culture.

When employees do not believe the organization will take the matter seriously, either through investigation or adjudication, they are forced to decide as to whether doing the right thing will justify the vulnerability that comes with stepping forward.

Tips for Your Program

- Increase the transparency surrounding the reporting process and related activity. This could include describing the steps involved in submitting a report and the resulting investigation, communicating anonymized metrics on reporting activity in aggregate, and a description of outcomes along with listing the full range of disciplinary actions available.
- Create a simple process that allows managers to easily log any open-door report that has been brought to their attention.
- Notify reporters, through appropriate channels, when an investigation concludes to provide closure and maintain trust.
- Share compelling case studies and stories that demonstrate how the rules and consequences for unethical behavior are equitably applied across all levels of the organization.

Peer Practices

Ethisphere's dataset representing the views of 3+ million employees across 400 organizations shows that:

- **27%** of participants did not affirm that they believe the same rules and associated disciplinary actions for unethical behavior are the same for every employee at their organization.
- **77%** believe disciplinary actions are taken when individuals engage in unethical behavior or misconduct at the Company.
- **81%** of surveyed participants agreed that if they raised a concern about unethical behavior or misconduct, they believe the Company will fully investigate it.

KEY INSIGHTS AND STRATEGIC OUTCOMES

Learn about Sony's insights and outcomes from benchmarking ethical culture

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We thought we really had to be more comprehensive in gauging employee perceptions of our program. We picked the Ethisphere Assessment because it looked at all aspects of our program, including areas we have been focusing on, like awareness of resources, our employees' level of comfort reporting concerns, and their perception of organizational justice. We also liked the fact that it took less than 10 minutes for most employees to complete the entire survey, and that we could benchmark it against peer companies.”

KATHLEEN FRANKLIN, Global Ethics & Compliance Strategy Leader, Sony

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Want to Learn More?

READ THE SPOTLIGHT

BEST OF BELA: CULTURE

Resources to Fast-Track Improvements



1

Measure Your Culture

Learn if you have a speak-up culture of compliance and where you can make improvements.

START HERE:

Learn about the 8 Pillars of an Ethical Culture

Check out [this guide](#) to understand elements of a robust culture.

BELA MEMBERS:

Talk with your Engagement Director about your Ethical Culture Accelerator Assessment benefit.

2

Engage Leadership

Share the benefits of an ethical culture and provide ways to drive positive change.

START HERE:

Ethicast: How Do I Drive Tone at the Top in Today's Business Environment?

Hear how to get leaders involved in fostering a values-based culture. [Watch now.](#)

BELA MEMBERS:

Check out the [Ethical Leadership Masterclass](#) featuring Penn State's Dr. Linda K. Treviño, in the BELA Member Hub.

3

Leverage Data

Learn if you have a speak-up culture of compliance.

START HERE:

Ethicast: How to Supercharge Your Culture With Assessment Data

Check out [this Ethicast](#) to learn how to leverage survey and other data.

BELA MEMBERS:

In this [Masterclass series](#), learn about how to leverage cross-organization data to analyze your ethical culture.

4

Focus on Managers

Address expectations, including monitoring and reporting.

START HERE:

Supporting Managers as Models

Learn how Best Buy supports managers as models of behavior [Read now.](#)

BELA MEMBERS:

Check out the [Ethical Leadership Guide for Managers](#) contributed by BELA Member FedEx.

5

Tell Stories

Fast track your program with peer learnings.

START HERE:

Ethicast: Storytelling is Your Ethics Superpower

Learn how Eaton leverages storytelling to engage leadership and employees with authenticity [here.](#)

BELA MEMBERS:

Visit the BELA Member Hub and access 300+ program examples contributed by peer companies.

ETHICAL CULTURE ACCELERATOR

Ethisphere's culture measurement, strategy, and enablement offers the data and tools you need to start making transformational improvements. Available on our website.

FIND OUT MORE

Ethisphere Ethical Culture Assessment

Leverage Ethisphere's customizable questionnaire or benchmark against our data set to see how you rate across the Eight Pillars of an Ethical Culture compared to leading companies in your industry, region, and more. Gain access to our best-in-class data, expert analysis, and improvement recommendations to address your top priorities.

Ethical Culture On-Demand Reporting

On-Demand Reporting lets you automatically create board-ready reports that break down perceptions of culture by employee role, region, gender, tenure, and more across your teams. Leverage data to create immediate action plans for improvement.

Ethisphere Culture Communication Tools

Boost your culture approach with communications, best practices survey content, action planning templates, and workflow tools.

REQUEST A DEMO

Watch this video to learn how communicating post-assessment learnings and action plans can make the difference between an exercise that doesn't really change anything and one that can help an organization take a meaningful step forward on its ethics and compliance maturity journey.



BEST OF BELA: CULTURE

Additional Resources



» Exclusive Insights:

Members of our Business Ethics Leadership Alliance (BELA) also have access to thousands of resources, including hundreds of program examples contributed by BELA members.

Plus, BELA Plus members gain access to Ethisphere's Ethical Culture Accelerator solution and Ethical Culture Communications (including ready-to-use toolkits, videos, Ethitoon cartoons, scenarios and more).

Not a BELA Member?

Request guest access to the BELA Member Hub, learn about membership, participation in peer-hosted roundtables, working groups, program benchmarking, and opportunities at the Global Ethics Summit and other events.

[Request Guest Access](#)



Ethics in Action - Company Examples

[Ethics at TrueBlue](#)

[Voice Your Concern Process](#)

[Hotline Infographic](#)

[Navigating Organizational Pressure](#)

[Middle Management as an Enabler of Integrity Culture](#)

[Leading with Integrity](#)

[Discussions Toolkit](#)

Expert Presentations at the [Global Ethics Summit](#)

[Managers as Pressure](#)

[Regulators: Ensuring Employees](#)

[Achieve with Integrity](#)

[Helping Managers Get Ethics & Compliance Right in a World of Increasingly Varied Employee Expectations](#)

BELA MEMBERS

Improvement Resources

Immediately Access:

1,300+
BELA Hub resources

300+
member-contributed program
materials

400+
Ethisphere reports, data cuts,
toolkits, and resources



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The DOJ does not want you to wait; you need it now, and if we do not have the built-in efficiencies that BELA supports, we grind our maturity to a halt because we are researching and investigating what we need to do rather than having tools that we can take action on quickly... this accelerates our timetable from 3 years to 1 year.”

- Global Head of Integrity & Compliance, Multinational Software Company

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BELA MEMBERS

Excel with Peer Experience

Optimize Teams and Learn from Leaders:

50+ Peer-sponsored roundtables focused on key challenges with leaders across industries

Exclusive working groups and reports highlighting best practices

Earn professional credits at the **Global Ethics Summit** and free access to masterclasses, webinars, and other events.



MATT GALVIN
Counsel, Data Analytics and Compliance
for the Department of Justice, Criminal
Division, Fraud Section



GLENN LEON
Chair, Fraud Section, U.S. Department
of Justice Criminal Division



“

We are getting an overall 200% return on time savings and cost savings.

Through the consolidation of BELA benefits and speed of moving from concept to implementation, we may have saved 6 months of work and contributed to higher employee satisfaction and retention.”

- Global Head of Integrity & Compliance, Multinational Software Company

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BUSINESS ETHICS LEADERSHIP ALLIANCE

Request Access to the BELA Member Hub

BELA is the all-in-one subscription curated for the modern Ethics & Compliance leader. Whether you are starting to build your ethics & compliance program, or you have been an industry leader for years, BELA can help you reach and stay at the pinnacle.



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