

The Eight Pillars of an *Ethical Culture*

*The Foundations of Building an
Effective Culture of Compliance*

2025 UPDATE



» Introduction

Ethical culture matters – to employees, investors, and all stakeholders. Companies that have strong values-based cultures are better places to work and well-poised for long-term success. In this eBook, we focus on the foundational elements of an effective and sustainable culture, which we have consolidated into the eight pillars of an ethical culture.

This framework defines the key metrics

- ✓ Do your employees 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?
- ✓ Do they trust the reporting process enough to engage in it? Or do they fear retaliation or lack of an appropriate response?

Ethisphere defined these key pillars with input from experts, ethics and compliance leaders from our **Business Ethics Leadership Alliance (BELA)**, and also by considering guidance by international organizations and regulators. We distilled this into **Ethisphere's Culture Quotient (CQ)**, a survey that has been used by top global companies to determine employee perceptions of the organization's culture of compliance. The data highlighted in this report was gathered between 2023 and 2024 and represents the views of nearly 1.3 million responses across 100 organizations.

There are many benefits to fostering a culture in which employees feel supported when they speak up. Not only will you reduce people-driven risks, but your organization will also hear from a range of voices – sharing new ideas and other ways to make the company more successful.

Our team has helped hundreds of companies measure and improve their speak-up cultures. As we look forward to 2025 and beyond, we've refined what and how we measure: helping companies around the world adopt a more frequent cultural temperature check with pulse assessments, going deeper on the lived

experience when reporting reporting misconduct to get at what's not working and what compels employees to speak up.

At Ethisphere, we are privileged to work with leading companies at every stage of their culture journey. We hope you find this eBook valuable and informative to your work.

If you have any questions about how to assess and improve your culture of compliance, [get in touch](#). **We are here to help.**

DOUG ALLEN
*Vice President,
Data Strategy,
Ethisphere*



Eight Pillars at a Glance



PILLAR ONE

*Awareness of the E&C
Program and Resources*



PILLAR TWO

*Perceptions of
the Function*



PILLAR THREE

Speaking Up



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PILLAR SIX

*Perceptions
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PILLAR SEVEN

*Perceptions
of Leadership*



PILLAR EIGHT

*Perceptions Peers
and Environment'*

PILLAR ONE

*Awareness of the Ethics and
Compliance Program and
Resources*

» PILLAR ONE Awareness of the Ethics and Compliance Program and Resources



What it is we aim to measure:

Familiarity with the assets and efforts of the compliance and ethics function. In other words, do your employees understand the resources available to them? Can they find the code and applicable policies? Are your communications resonating?

Topics covered in the assessment:

- Ability to locate the code, policies and other ethics and compliance resources
- Whether behavioral expectations are communicated and understood
- Confidence in the company adhering to its values
- Whether communications from the ethics and compliance function are received

Why it matters:

Employee awareness of the E&C program and resources is at the heart of an ethics and compliance function's success; it is important to know if it has the proper reach with the employee base. Awareness is the first step toward fostering a strong ethical culture. Employees cannot follow expectations or access resources they are unaware of. Measuring awareness identifies gaps that could undermine compliance efforts. By regularly assessing perceptions, organizations can ensure that their ethics and compliance programs are both understood and trusted by employees, ultimately fostering a culture of accountability and integrity.

What the data says:

This is an area where companies tend to perform well, as a reflection of the amount of effort companies have put into developing and rolling out these aspects of their programs.

For example, across Ethisphere's data set:

91% of employees know where to find the code of conduct.

92% of employees know how to report misconduct.

91% of employees who are aware of their company values believe their company follows them.

PILLAR ONE Awareness of the Ethics and Compliance Program and Resources



How Ethisphere clients have used the data and insights:

As the data shows, most companies do well when it comes to employees knowing where to find E&C resources such as the code of conduct. Opportunities for improving ethics and compliance program awareness tend to be isolated to specific teams, locations, or business units. Upon knowing this information, companies can then fix the problem.

For example, one company discovered that employees didn't use an intranet because they viewed it as outdated and difficult to access. Another ethics and compliance team updated communications that weren't translated into local languages.

Top Tips for Your Program:

-  Focus on making the Code of Conduct and related written standards as easy to access as possible. Review where the Code is stored on organization's intranet and, if relevant, public-facing website. A good rule of thumb is access in three clicks or less.
-  Verify employees are, in fact, accessing the organization's written standards by reviewing available access metrics. Do certain employee segments, such as those in retail or manufacturing environments, require additional considerations?
-  Are teams with lower favorability scores in this pillar dealing with a lack of access or a lack of understanding? Follow up interviews may yield insights as to the root cause of low program awareness.

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.”

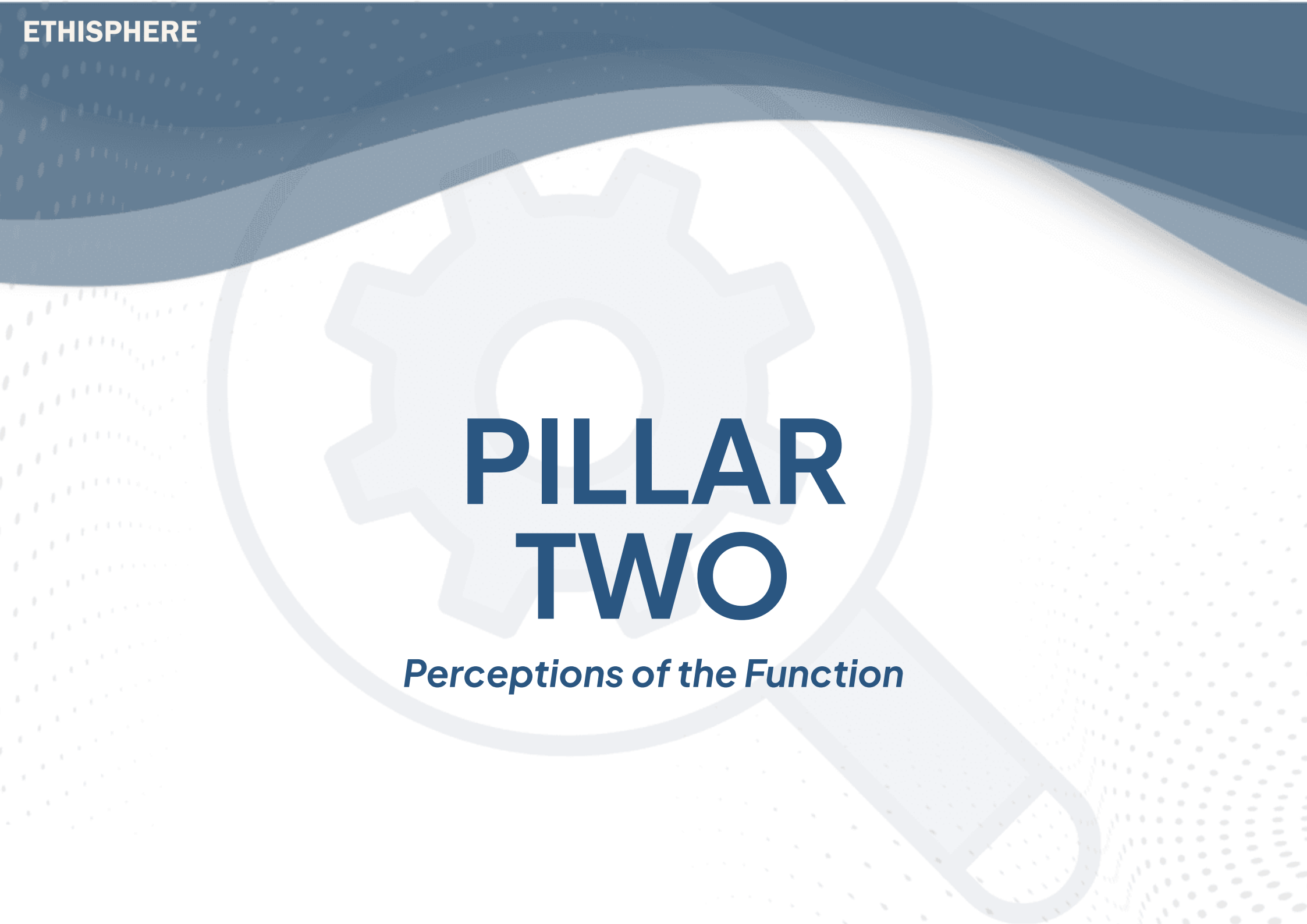
Kathleen Franklin Global Ethics & Compliance Strategy Leader, Sony

in



Want to Learn More?

Read The Spotlight



PILLAR TWO

Perceptions of the Function

PILLAR TWO Perceptions of the Function

What it is we aim to measure:

Perceived quality and program effectiveness of the ethics and compliance function's efforts in communicating, training and support. In other words, are your efforts reaching the intended audience? Do they see any of the assets you have deployed or are they languishing some whereon the SharePoint site with no viewers?

Topics covered in the assessment:

- Perceived effectiveness and relevancy of the ethics and compliance function's training efforts
- Employee level of understanding of the organization's code of conduct and policies
- The level to which employees understand what's expected of them

Why it matters:

Measuring employee understanding of the messaging delivered by the ethics and compliance function is an important step towards figuring out what is – and is not – resonating with employees. By measuring whether employees view these resources as effective, organizations can ensure their ethics and compliance function is not only well-designed but also perceived as supportive, relevant, and trustworthy—key factors for maintaining an ethical workplace. These insights can factor into resource plans, communication



What the data says:

Most companies perform well here due to investments in training.

Ethisphere's data shows that:

92% of employees believe the training on their company's Code of Conduct was clear and understandable.

88% of employees believe their company's other training and communication efforts about ethical responsibilities and conduct are effective.

94% of employees believe the Code explains what is expected of them as they conduct the company's business.

»» PILLAR TWO Perceptions of the Function



Although these percentages are high, a global company with hundreds of thousands of employees could still have a significant gap. It only takes one unethical employee to cause an issue that could become a reputational disaster.

How Ethisphere clients have used the data/insights:

The demographic analysis can be exceptionally powerful. One area where it is not uncommon to see significant variances is by total length of employment with the organization. For example, in working with one global company, ethical culture assessment results showed that across the organization **95 percent** of employees believe the code explains what is expected of them. However, that number dipped to **80 percent** with employees who have been with the company for 5 to 7 years. Situations like this beg the question: how is the ethics and compliance function keeping its materials engaging to keep longer tenured employees engaged and receptive to the messaging?

Our data also shows that managers are where employees most often report concerns. As such, these longer-term employees, who are also more likely to be managers, could benefit from a short training course or communication so that they better understand the code of conduct and can educate teams on it as well.

Top Tips for Your Program:

-  Tailor explanations or training materials to different roles or departments, showing how sections of the Code of Conduct applies directly to their day-to-day responsibilities.
-  Share examples of how following the Code has helped the company or employees avoid problems and maintain trust, reinforcing its practical value.
-  Use the demographic analysis to identify where employees may be struggling to understand the company's standards. Perhaps it is by tenure, or business unit, or newly acquired entity.

PILLAR THREE

Speaking Up

»» PILLAR THREE Speaking Up

What it is we aim to measure:

This section addresses several important challenges: What is the strength of your organization's "speak-up" culture? Do obstacles exist that prevent employees from stepping forward? If so, what might they be?

Topics covered in the assessment:

- Perceptions of misconduct observed and measuring the willingness to report
- Reasons why employees choose to report – or not to report
- Outcomes experienced after reporting misconducting
- Awareness of, and confidence in, the organization's position on preventing retaliation

Why it matters:

Mitigating people-created risk is key to the success of any ethics and compliance program. Establishing a culture where employees are comfortable raising concerns about suspected misconduct (intentional or accidental) is critical in that endeavor. In almost every instance of consequential misconduct, "somebody knew what was going on," but many don't speak-up for several reasons, including fear of reprisal, a lack of confidence in the organization acting on the report, or an unwillingness to negatively impact one's coworkers.



CULTURE COMMUNICATIONS

Resources to Support Your Goals

Gain Access to:

Communication Resources
Toolkits, Discussion Guides, and More

Learn More

»» PILLAR THREE Speaking Up

What the data says:

For the companies we work with, this pillar often offers significant opportunities to improve, particularly when it comes to levels of comfort in reporting observed misconduct.



92% of participants indicate a willingness to report misconduct if they were to observe it, hypothetically speaking **yet**

52% of employees who observed misconduct in the past 12 months reported the matter.

Employees who reported a concern were **six times more** likely to go to their manager than to use the reporting hotline.

78% of participants who are aware of their company's non-retaliation policy believe that their company enforces its non-retaliation policy **while**

87% Of these participants believe their manager complies with the policy.

The **key takeaway** from these statistics is that employees inherently believe they'd do right thing if misconduct occurs, however when faced with misconduct, many did not. As a result, it is incumbent upon the organization to foster a culture that allows employees to act on the instinct of 'doing the right thing.' Given that employees most often report to managers, it is vital to ensure that managers are properly equipped to navigate how to respond when a direct report raises a concern, who to go to for help, and how to prevent retaliation.

»» PILLAR THREE Speaking Up

How Ethisphere clients have used the data/ Insights:

By diving deep into the data, we have been able to identify micro-cultures that exist across an organization. These micro-cultures are heavily influenced by regional and functional differences.

Taking this data and cross-referencing it with demographic data, we are able to establish context for the strength of the “speak-up” culture. These insights enable organizations to identify opportunities for targeted manager training and functional communications to ensure the central ethos of the organization permeates all micro-cultures and that all employees feel comfortable using their voice.

Resource: The Power Of Storytelling



Top Tips for Your Program:

- ✓ When measuring comfort in speaking up ask follow-up questions that help determine which reasons are in the forefront of employees' uncertainties surrounding speaking up. Are employees not willing to report out of a fear of reprisal? A lack of support from peers and management? Concern over a coworker's wellbeing? These results will drive how you remediate.
- ✓ Your organization likely provides anonymous and confidential reporting channels, but how credible are these channels perceived? Take the pulse of segments of your employee population on whether they believe these channels are truly anonymous and confidential.
- ✓ Proactively set expectations for the reporting and investigation processes for all employees about what to expect if they unfortunately find themselves in a position where they've observed misconduct. Sharing aggregated reporting data to illustrate how others are coming forward also helps eliminate ambiguity as to what can happen when a report is made.

PILLAR FOUR

Managing Pressure

»» PILLAR FOUR Managing Pressure

What it is we aim to measure:

In this pillar, we measure the strength and source of pressure employees may be experiencing to compromise standards to hit goals. Does the “what” matter more than the “how” within the organization? Are employees encouraged to circumvent standards to achieve business objectives? If so, where do they feel this pressure is coming from? Is it driven by leadership, customers, or is it innate?

Topics covered in the assessment:

- How often someone feels pressured to compromise the standards articulated in the Code to fulfill work responsibilities
- The root cause of the pressure experienced

Why it matters:

In a push for profits, an organization 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.



ETHITOONS

A Range of Cartoons to Spark Conversations About Ethics

Manager discussions with teams can be instrumental to setting appropriate expectations. Learn more about how to use videos, scenarios and other communications to engage employees.

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PILLAR FOUR Managing Pressure

What the data says:

This pillar tends to be an area that reveals critical insights and opportunities for improvements. Sources of pressure to compromise the Code can vary wildly across teams, suggesting the need for tailored approaches depending upon where employees feel the most heat.

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 this pressure:

36%
Senior Leadership

30%
My Immediate Manager

32%
Middle Management

The **key takeaway** from these statistics is that organizations – specifically, leaders within the organization – may not consistently – or ever – discuss “how things are done” when discussing what needs to be done. Rarely are senior leaders or managers explicitly stating that employees should achieve their business objectives by whatever means necessary. However, often missing in directives is the encouragement to achieve objectives in accordance with company standards.



The Bottom Line:

When organizations reward performers (either through promotion or bonuses), that implicit pressure can lead employees to make compromising decisions that

PILLAR FOUR Managing Pressure

How Ethisphere clients have used the data/insights:

Managers play an important role in how employees work to achieve their objectives. Quite often, managers 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 (looking at you, E&C professional). In other cases, managers are instigators of bad behavior, particularly in regions where actions, such as bribes, are an accepted norm.

Our clients use numbers like these to drive home the message that this is everyone's job. When talking with managers, E&C teams emphasize that conversations around goals and objectives must include reminders that the way in which something is done matters just as much as whether it is accomplished. They also share communications and tactics to support this message.

An individual company's approach to addressing this challenge will vary by industry, since the potential sources of pressure can be different. For a tech company, pressure may come from a customer like a reseller or distributor. In retail or hospitality, customers are often a source of pressure, and the response there may be to deploy de-escalation training to help employees deal with overzealous guests asking for upgrades to which they are not entitled. Once a company is armed with their data, identifying how to support



Top 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. Encourage executives to emphasize the substance behind performance, not just the performance itself.
-  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 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.



PILLAR FIVE

Organizational Justice

»» PILLAR FIVE Organizational Justice

What it is we aim to measure:

Consistent application of rules and consequences is the concept behind our “organizational justice” pillar. Colloquially referred to within Ethisphere as the “Animal Farm” pillar, this group of questions focuses on employee perceptions of whether the company holds every wrongdoer accountable, regardless of rank. It also considers the awareness of discipline and the investigation process.

In other words, are all the animals equal? Or are some of them more equal than others?

Topics covered in the assessment:

- Employee confidence that disciplinary actions are enacted when misconduct occurs
- The perception that the rules are the same for everyone, regardless of role, tenure, or status
- Faith that an investigation would take place if one had to submit a report



Why it matters:

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.

Our data shows employees who agree disciplinary actions are handled equitably are more likely to have reported observed misconduct than participants who were unwilling to affirm such faith in equitable disciplinary measures.

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.



PILLAR FIVE Organizational Justice



What the data says:

This pillar tends to be an area that reveals critical opportunities within organizational pockets, often determined by the strength of proactive efforts to educate the employee population about the **reporting, investigations, and adjudication processes**:

81% of surveyed participants agreed that if they raised a concern about unethical behavior or misconduct, they believe the Company will fully investigate it.

77% believe disciplinary actions are taken when individuals engage in unethical behavior or misconduct at the Company.

27% of participants did not affirm they believe the same rules and associated disciplinary actions for unethical behavior are the same for every employee at their organization.

The reality is that most employees are unlikely to find themselves in a position to report misconduct, participate in an investigation, or be privy to the adjudication process while employed by an organization. This is reflected in survey data with elevated levels of neutral – neither agreement nor disagreement – responses for many organizations. That does not excuse an organization from making the effort to educate employees about these processes, because in that void a narrative of hearsay will become the default reality.

If it takes one instance for an organization's reputation to experience critical damage, is it worth leaving such a determining factor about whether employees raise a concern up to hearsay?

»» PILLAR FIVE Organizational Justice



How Ethisphere clients have used the data/insights:

The delta between the number of employees who say their organization would investigate a concern and those who are confident action would be taken varies by company but exists for every client we have worked with. The size of this difference reveals the degree to which the company needs to work to “lighten” the black box of investigations for employees to make what happens less of a mystery.

Top Tips for Your Program:

- ✓ Increase the transparency surrounding the reporting process and related activity. This could include a description of the steps involved in submitting a report and the resulting investigation, communicating anonymized metrics on reporting activity in aggregate, and an explicit 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.
- ✓ Close the loop. 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



Videos communicate to managers and employees about their role in fostering an

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PILLAR SIX

Perceptions of Manager

»» PILLAR SIX Perceptions of Manager

What it is we aim to measure:

Employee perceptions of their immediate supervisor, and whether that leader is an ethical role model and fosters an environment which encourages questions about and reporting of ethical misconduct

Topics covered in the assessment:

- The belief that one's manager is committed to integrity
- Whether employees are comfortable approaching their manager with difficult questions or reports of misconduct
- The frequency with which discussions take place between an employee and their manager on the topic of integrity, speaking up, or compliance



**A manager resource
for an ethical culture**

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Why it matters:

Based on our experience and data, managers throughout the organization are the single most influential factor in establishing and maintaining a healthy ethical culture. Managers, by default of 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.

It's also important to note that fostering a "speak-up" culture provides benefits beyond ethics and compliance. When employees feel comfortable raising ethical concerns, they will be more likely to share new product ideas, client challenges, and so much more. Preparing managers to lead teams where everyone is comfortable using their voice is time well spent.

PILLAR SIX

Perceptions of Manager



What the data says:

This pillar tends to be an area that strongly correlates with all other areas of culture measurement:

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

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

27% of participants indicated their manager discusses ethics or compliance-related issues/topics at least once per quarter, on average.

Organizations within the data set are committed to a strong ethical culture and are leaders at equipping managers to lead ethically and create an open-door environment. Managers are the most visible leaders in employees' day-to-day work. When employees see their manager consistently acting with integrity, it sets a powerful example and reinforces ethical behavior as a standard. However, opportunities still exist to leverage managers as tone-setters for ethical culture throughout an organization.

Nineteen percent of employees are only being reached by their managers with ethics and compliance related discussions just once per year – or not at all.

It is important to note that within our dataset, 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.

Managers serve as a crucial link between organizational ethics initiatives and day-to-day operations, ensuring that corporate values are reflected in employees' actions. Managers are the tide that raises all ships with respect to employee perceptions of ethical culture, so increasing the frequency of these

»» PILLAR SIX Perceptions of

How Ethisphere clients have used the data/insights:

Ethics and compliance leaders often use the data from this pillar to set the tone for manager training, helping managers understand why it is so important that they hear employee concerns, listen with an attitude of appreciation (even if it's bad news), and know where to go for help addressing an issue or answering an employee question.

Perceptions of one's manager as an ethical leader are further informed by insights from Ethisphere's other pillars. These interconnected topics directly shape how we evaluate employees' views of their managers. For instance, are managers frequently identified as sources of pressure to compromise the Code of Conduct or company values to meet business objectives? Conversely, how often do employees turn to their managers as a trusted resource for reporting misconduct or seeking guidance on complex issues? Additionally, how often do employees cite support from their immediate manager as a key reason they felt empowered to report potential misconduct? These questions help provide a fuller picture of the critical role managers play in fostering or undermining an ethical workplace culture.



Top Tips for Your Program:

- ✓ Provide managers with a variety of resources that facilitate organic discussions about ethics and compliance related topics or issues. Develop the communication assets with appropriate context that anchors the messaging in the "lived" employee experience.
- ✓ Establish appropriate metrics – and rewards – for managers to assess 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.

PILLAR SEVEN

Perceptions of Leadership

PILLAR SEVEN

Perceptions of Leadership



What it is we aim to measure:

Employee perceptions of senior leadership, and whether leaders both “talk the talk” and “walk the walk.”

Topics covered in the assessment:

- Whether the message of integrity from senior leadership is resonating
- Belief that senior leadership consistently acts with integrity

Why it matters:

“Tone from the top” has always been a critical component of a strong ethical culture, and the extent to which the leadership team emphasizes and demonstrates the way in which they expect employees to behave will have ripple effects throughout the organization. We see a significant delta when we compare the perceptions of those employees who believe senior leadership acts ethically to those who are not so sure, particularly on key questions like whether the company abides by its commitment to non-retaliation.

RESOURCE:

[The Messenger, Modality, and Message of Ethics & Compliance Communications](#)

What the data says:

This pillar tends to be an area that strongly correlates with all other areas of culture measurement:

87% of surveyed participants believe that senior leaders promote the importance of doing business the right way.

78% of survey participants believe that senior leaders act consistently with their words.

That eight-percentage point gap is an area of opportunity for most organizations. What we generally find when we dig into the data is most employees do not actively disagree that senior leaders “walk the walk” – they simply do not have a reason to say one way or the other. This is particularly the case with geographically distributed workforces who may rarely see or hear from the leadership team.



PILLAR SEVEN

Perceptions of Leadership



How Ethisphere clients have used the data/insights:

Opportunities in this area tie to two of the three M's of effective communication: modality and message. For the message, organizations often use the data from this pillar to review with leaders the extent to which they are engaging in storytelling when sharing goals with employees. Do they explicitly talk about ethical decisions they have made or how they might handle a given situation? If they do, an analysis of the modalities used is warranted: does the data available to the company show that employees are hearing those messages? Many times, the leadership team thinks they are conveying messages, but it's through a modality that employees are not using. Avoid this scenario by using available metrics to inform modality choices.

Top Tips for Your Program:



When measuring comfort in speaking up ask follow-up questions that help determine which reasons are in the forefront of employees' uncertainties surrounding speaking up. Are employees not willing to report out of a fear of reprisal? A lack of support from peers and management? Concern over a coworker's wellbeing? These results will drive how you remediate.



Use data and feedback to evaluate whether employees are hearing and believing leadership's messages about ethical behavior. Leaders often think they are communicating effectively, but the chosen channels may not align with employee preferences or habits.

PILLAR EIGHT

Perception of Peers and Environment

»» PILLAR EIGHT Perceptions of Peers and Environment



What it is we aim to measure:

Employee perceptions of their peers and the environment in which they're doing their day-to-day work.

Topics covered in the assessment:

- The belief that one's immediate coworkers are acting with integrity
- Whether employees feel their actions contribute to an ethical work environment
- Faith that change will occur as a result of the company measuring its ethical and speak up culture

Why it matters:

The environment in which we work – much like the manager we work for (see Pillar 6) – influences our behavior on a daily basis. Accepted behavior being modeled by co-workers, and not commented on by management, will undermine a formal values system quickly. When coworkers act with integrity, employees are more likely to trust each other, their leadership, and the organization as a whole. Furthermore, employees who feel personally responsible for an ethical environment are more likely to report unethical conduct or intervene when they see misconduct. Ultimately, these evaluations ensure that ethical behavior is not just a policy or aspiration but a lived reality, aligning employee actions with organizational values to build a thriving workplace.

What the data says:

This pillar tends to be an area of strong performance for most companies, with less favorable responses tending to coalesce in “neutral” or “neither agree nor disagree” concentrations as opposed to actively negative perceptions. Given the local nature of this Pillar – discussing perceptions of one's peers who are in close proximity to them – we advise our clients to dig into results at the team

85% believe their co-workers act ethically at all times.

91% of survey participants feel personally responsible for making sure the company behaves



PILLAR EIGHT

Perceptions of Peers and Environment



As noted, the bulk of non-favorable responses in this category tend to be neutral. What we generally find when we dig into that data is most employees say they don't know enough of how their co-workers are acting to respond affirmatively. This is a trend we have seen exacerbated by hybrid and work from home policies, with an increasing share of employees intentionally distanced from co-workers.

How Ethisphere clients have used the data/insights:

Organizations typically use the data from this pillar to identify those locations where that challenge of distance seems largest, and then review with local leaders the extent to which they are engaging in storytelling when sharing goals with employees. Do they explicitly talk about ethical decisions they have made or how they might handle a given situation? Do they challenge behavior appropriately? Do employees see that behavior that is not in line with the stated values of the organization is addressed?

New for 2025, Ethisphere introduced a question measuring how confident employees feel that action would result from this effort to measure ethical culture. Why the new addition? A common counterargument to evaluating ethical culture through surveys is the issue of survey fatigue—resistance to participating in numerous and often overlapping company survey efforts. However, research and our experience show that employee resistance

to surveys is less about fatigue and more about a lack of faith that their participation will lead to meaningful action.

We see it time and time again: when organizations invest in transparently communicating the outcomes of surveys—both successes and areas for improvement—and the corresponding actions taken, employees are much more likely to engage in future surveys.

To address this, we include in our measurement framework an assessment of employees' perception that action will result from their survey participation. Measuring this "faith in action" sentiment enables Ethics & Compliance teams to refine their approach to survey-related communications, building trust and encouraging greater participation over time.



PILLAR EIGHT

Perceptions of Peers and Environment



Top Tips for Your Program:



Look at the results for this question across available employee demographic segments to see where perceptions may be higher or lower across the organization. Low perceptions may show organizations where pockets of misconduct are more likely to occur and/or where people are less likely to feel supported in reporting misconduct.



Are employees aware of the impact of misconduct on the organization? Rip recent headlines about fines, penalties, and consequences from other companies inside or outside your domain to illustrate what can go wrong when misconduct occurs.

Related Resources



2024 ETHICAL CULTURE REPORT

Closing the Speak Up Gap

The 2024 Ethical Culture Report focuses on the importance of employees speaking up and reporting concerns, why they may not report, and what companies can do to close the gap between employees who say they witnessed misconduct and the actual number who reported it.

The report covers:

- The importance of a speak-up culture
- An overview of the 8 Pillars of an Ethical Culture
- Top insights from Ethisphere's Culture Quotient dataset
- Reasons employees don't report misconduct, including fear of retaliation
- Findings by different demographic groups

[Download](#)



2023 ETHICAL CULTURE REPORT

Lessons From The Pandemic: Accountability Reigns and Gen Z Refrains

[Download](#)

2024 Masterclass

2023 Masterclass

»» 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.

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Ethics in Action – Comp Examples

[Ethics at TrueBlue](#)

[Voice Your Concern Process](#)

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[Navigating Organizational Pressure](#)

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

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

[Managers as Pressure Regulators: Ensuring Employee Achieve with Integrity](#)

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

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.



Thank you for reading

ethisphere.com/culture

