

## **The State of Ethics & Compliance in the Workplace**

Global Business Ethics Survey 2018, ECI

June 2018

### **MAIN OBJECTIVE:**

This report focuses on the impact that an ethics & compliance program has in the workplace, and the statistical return on investment (ROI) for programs defined as High Quality Ethics & Compliance Programs (HQPs). This report is the second of a four-part series planned for 2018, and it references data from the 11th implementation of the GBES.

### **METHODOLOGY:**

The results discussed in this report are based on data collected from 5,101 employees who completed ECI's 2017 Global Business Ethics Survey. Employees were randomly selected to attain a sample representative of U.S. employees. All survey respondents were:

- 18 years of age or older;
- Currently employed;
- Working at least 20 hours per week for their primary employer; and,
- From companies with a staff of at least two or more.

Data were collected through an online survey from November – December 2017. The survey questions and sampling methodology were established by ECI; data collection was managed by Precision Sample. Analysis by ECI was based upon a framework provided by the Federal Sentencing Guidelines for Organizations, the Sarbanes-Oxley Act of 2002, and in-house expertise in defining elements of ethics programs, culture and outcomes. The sampling error of the findings presented in this report is +/-1.4% at the 95% confidence level.

### **Executive Summary:**

Corporations have historically organized their ethics and compliance (E&C) programs around a priority to align with legal and regulatory expectations. Yet increasingly, organizations are going above and beyond historic regulatory risk mitigation. With more and more organizations committing to higher quality programs, it begs the question: does it make a difference when a company dedicates more resources and heightens the priority of their E&C efforts? To find an answer, we asked employees about the presence of an E&C program in their workplace. We also inquired about the quality of that program, if it existed. We then examined the impact and value of E&C in organizations with programs at varying degrees along the HQP implementation continuum.

THE RESULTS ARE POWERFUL. The data shows that improving the quality of certain factors of an E&C program, at any stage of the program implementation process, has a positive impact to the organization. Developing a successful E&C program is a journey. High quality program development takes time, planning and resources. However, if an organization does nothing more than implement a minimum standard E&C program, it can still reap benefits because employees are more likely to perceive that they work in an organization with a stronger culture, and they are more willing to report wrongdoing when it occurs. But the results of a minimum standard E&C program pale by comparison to organizations that have incorporated elements of HQPs. In these environments, the prevalence of favorable ethics program outcomes increases exponentially.

### **CONCLUSION:**

The data is clear. A genuine effort by an organization to address E&C can have a substantial effect on the overall strength of the E&C culture and outcomes. Leaders should not be satisfied if their organization has implemented a minimum standard (compliance) program. Organizations with high quality programs (HQPs) go much further in building a strong ethical culture, reducing misconduct, and increasing employee reporting when wrongdoing does occur.