

Executive Summary

In the 2005 National Business Ethics Survey® (NBES), the Ethics Resource Center (ERC) finds that a formal ethics and compliance program alone does not substantially impact outcomes. Additional analysis reveals that ethical culture often has more of an impact on achieving an effective ethics and compliance program than do program inputs and activities.

NBES measures eighteen dimensions of ethical culture by asking employees if their top and middle management, supervisors, and coworkers demonstrate various "Ethics Related Actions" (ERAs) in the workplace. ERC found that employees who perceive their managers, supervisors, and coworkers displaying ERAs are more likely to observe outcomes expected of an effective ethics and compliance program than those whose colleagues and managers exhibit fewer ERAs. This paper builds upon the NBES findings on ethical culture and explores which ERAs have a greater impact on program outcomes. In addition, this paper presents new analysis on whether ethics training is more useful for junior employees than for senior employees.

Key Findings

1. Three ERAs have an especially large impact on outcomes expected of an ethics and compliance program:
 - Setting a good example;
 - Keeping promises and commitments; and
 - Supporting others in adhering to ethics standards.
2. Formal ethics training does not have the same impact on all levels of employees.

¹ This abstract was prepared by the Center for Business Ethics at Bentley University and is based on the original document, which can be found here: http://www.ethics.org/files/u5/elements_of_an_Organizational_Ethical_Culture.pdf

Conclusions

- Actions speak louder than words. Results regarding the three ERAs with the greatest impact on outcomes imply that having a general organization-wide ethics communication strategy is not enough to create desired outcomes. Employees need to see their superiors and peers demonstrate ethical behavior in the work they do and decisions they make every day
- Training needs to be different for management versus non-management employees. Ethics training is more useful in helping junior employees feel prepared to handle situations that invite misconduct than it is for senior employees. This does not suggest eliminating all ethics training for top and mid-management employees. What it does suggest is developing training curricula that takes these differences into account

Links

Full Report: http://www.ethics.org/files/u5/elements_of_an_Organizational_Ethical_Culture.pdf