

Measuring ETHICAL CULTURE

WORLD'S MOST ETHICAL COMPANIES®



World's Most Ethical Companies Measure Ethical Culture Using 5 Different Sources

Our data suggests that to have an effective system to measure and impact your ethical culture, you need to be looking at multiple sources, across multiple modalities, both inside and outside the organization. You can't rely just on surveys alone. On average, WMEC Honorees measure their ethical culture using five different inputs or sources.



An 8% increase over 2017

65% of World's Most Ethical Companies Use a Dedicated Survey to Measure Culture

Our data shows that of the 2018 World's Most Ethical Companies honorees, 65 percent of companies use a survey primarily developed to measure employee perceptions of ethical culture and/or the compliance program. However, a noticeably larger number of honorees (82 percent) include a handful of questions specific to perceptions of an organizational ethical culture as part of a broader HR or engagement survey.



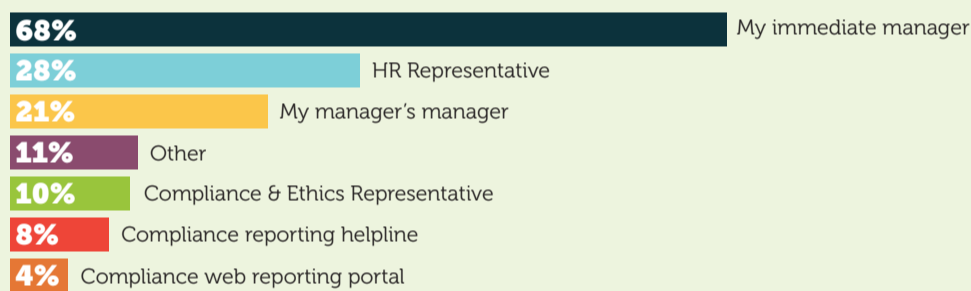
CULTURE ASSESSMENTS



Tip: Don't over invest in communication channels that your employees aren't using.

68% of Ethical Concerns are Submitted to Immediate Managers

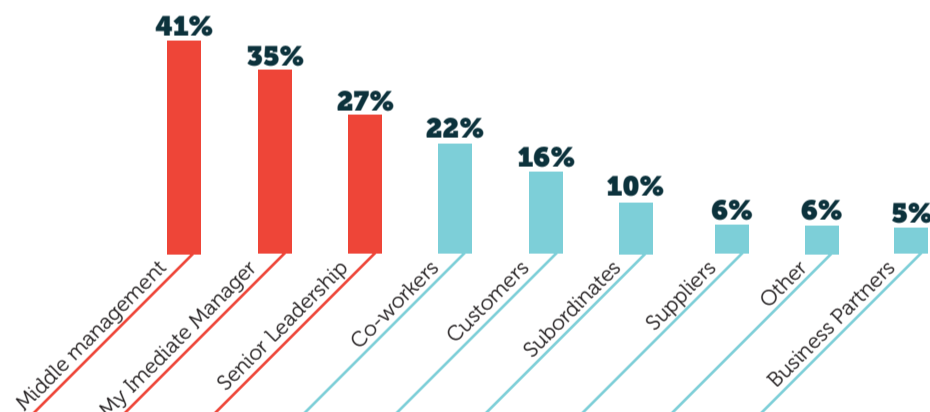
Human resources representative came in second at 28%. What's low on the list? Only 8% went to helpline/hotline. Employees are **9x more likely** to go their immediate manager with concerns instead of using the reporting helpline or web-based portal.



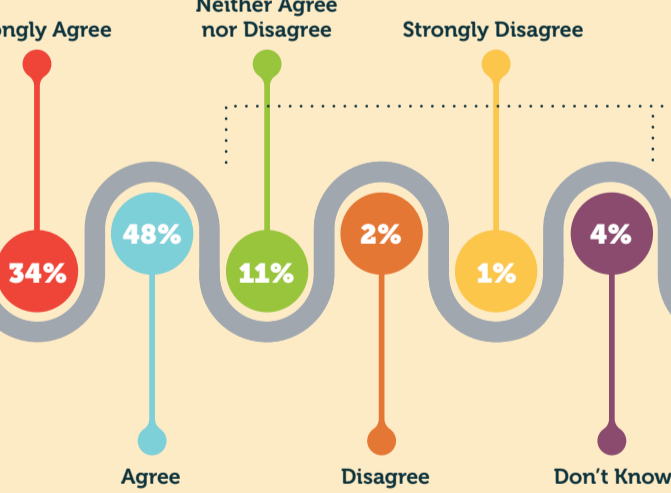
23% of Employees Feel Pressure to Compromise Code

Almost a quarter of employees indicate feeling some level of pressure to compromise policy, the Code, or law to achieve business goals.

Those in positions of authority are the top three most commonly cited sources of this pressure.



If I Raise a Concern, I Believe it Will Be Investigated



Nearly a quarter (20%) don't believe an investigation will occur if raising a concern

"Nothing will happen" is closely tied with fear of retaliation as a reason not to report (fear and a lack of transparency are leading causes for why employees are not willing to report).

Ethisphere's Eight Pillars of Culture

In partnership with the BELA community, 2016 saw the launch of our Ethical Culture and Perceptions Assessment. The survey-based assessment is built off of our Eight Pillars of Culture, which are the culmination of what we have seen to be key to an ethical culture over the past decade.

