Using Employee Surveys to Measure and Improve Ethics and Compliance Programme Effectiveness

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Overview

• A short survey
• Survey types and questions
• Insights from the Rolls-Royce Employee Opinion Survey
• How can we measure ethics and compliance programme effectiveness?
• What has Rolls-Royce done to address issues identified in the survey, and what are we going to do?
• Discussion
• Conclusions and questions

Do you use employee surveys to measure Ethics and Compliance programme effectiveness?

1. Yes
2. No
3. Don’t know
What type of survey do you use?
1. Ethical Culture Survey – In-house
2. Ethical Culture Survey – External provider
3. Employee Opinion Survey – In-house
4. Employee Opinion Survey – External provider
5. Other
6. Don’t conduct surveys

How often do you conduct the survey?
1. Twice a year
2. Annually
3. Every two years
4. Every three years
5. One-off
6. Don’t know
7. Don’t conduct surveys

How many Ethics and Compliance questions are in your survey?
1. Less than 5
2. 5 to 8
3. 9 to 12
4. 13 to 16
5. 17 to 20
6. More than 20
7. Don’t know
8. Don’t conduct surveys
What type of survey should you use?

- What’s your budget?
- How many questions do you want to ask?
- How many employees do you want to survey?
- Do you all your employees have computer access?
- What languages do your employees speak?
- Will it be anonymous?
- What reporting and analytics do you want?
- Do you want to benchmark the results?
- How often do you want to run it?
- Is there a risk of survey fatigue?

What sort of questions could you ask?

- Organisational justice
- Company values
- Reporting unethical behaviour
- Code and policy awareness
- Communications and training
- Leadership behaviour
- Management behaviour

Rolls-Royce Employee Opinion Survey

- External survey provider
- Open to all employees (62% response rate)
- Online and paper-based
- Available in 14 languages
- 64 questions + 1 free text (10 minutes to complete)
- Annual with additional “pulse” surveys
- Online analytics and reporting tool
## Ethics and Compliance Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>2016 (%)</th>
<th>2015 (%)</th>
<th>Change</th>
<th>Manufacturing Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand how the Code of Conduct applies to me in the role I perform</td>
<td>94</td>
<td>+1</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>It is safe to speak up in Rolls-Royce</td>
<td>62</td>
<td>+1</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Rolls-Royce clearly communicates its expectations of ethical behaviour</td>
<td>90</td>
<td>+1</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Rolls-Royce’s senior leaders act in ways consistent with our Code of Conduct</td>
<td>65</td>
<td>0</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>I would report unethical behaviour if I saw it in Rolls-Royce</td>
<td>89</td>
<td>0</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>I would be confident that if I report unethical behaviour something would be done about it</td>
<td>73</td>
<td>0</td>
<td>n/a</td>
<td></td>
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<tr>
<td>In my experience all employees are held to the same standards of ethical behaviour</td>
<td>74</td>
<td>n/a</td>
<td>↑</td>
<td></td>
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</tbody>
</table>

## Insights from the 2016 Survey

- Fewer apprentices understand how the Code applies to them compared to other groups of employees.
- Employees at lower levels of the organisation felt significantly less safe to speak up than those at higher levels.
- Expectations of ethical behaviour are communicated consistently across most businesses and countries.
- The perception whether senior leader act in ways consistent with our Code varies significantly by employee level.

## Insights from the 2016 Survey

- The willingness to report unethical behaviour is consistent across most businesses and countries.
  - There is significant variation by country that something would be done about it.
- The perception that all employees are held to the same standards of ethical behaviour varies significantly between countries and by employee level.
How can we measure ethics and compliance programme effectiveness?

Employees surveys are just one piece of the jigsaw

Speaking Up

Accountability

Shadow of the Leader

Training and Certification

How can we measure ethics and compliance programme effectiveness?

Speaking Up

“It is safe to speak up in Rolls-Royce”
“I would report unethical behaviour if I saw it in Rolls-Royce”

• Number of Ethics Line contacts
• Ethics Line anonymity rate
• Number of Local Ethics Adviser contacts
• Number of reports of retaliation
How can we measure ethics and compliance programme effectiveness?

Accountability

“An my experience, all employees are held to the same standards of ethical behaviour”

“I would be confident if I report unethical behaviour something would be done about it”

• Ethics Line substantiation rate
• Number of dismissals for breaches of the Code of Conduct

How can we measure ethics and compliance programme effectiveness?

Shadow of the Leader

“Rolls-Royce’s senior leaders act in ways consistent with our Code of Conduct”

“Rolls-Royce clearly communicates its expectations of ethical behaviour”

• Number of Leadership communications promoting ethical behaviour
• Manager training and certification completion rates

How can we measure ethics and compliance programme effectiveness?

Training and Certification

“I understand how the Code of Conduct applies to me in the role I perform”

• Ethics training and certification completion rates
• Global Code e-learning completion rate (new employees)
• Targeted policy-related training completion rates
What have we done?

Speaking Up training
• Manager-led
• Dilemma-based
• Team discussion

All employee certification
• Reinforces understanding
• Commitment to comply and behave in an ethical way

What have we done?

Annual report for employees
• Ethics Line statistics
• How the Ethics Line works
• Examples of questions and concerns raised

Ethics toolkit for managers
• Helping managers to cast the right ethical shadow
• How to create a positive ethical environment in their teams

What are we going to do?

2017 Training
• “Pair share” discussion
• How the Global Code of Conduct applies in your role

Maintaining the Ethical Drum Beat
• Monthly dilemmas
• Regular engagement
Discussion

1. You have the opportunity to ask four ethics-related questions as part of your company's annual Employee Opinion Survey. What questions would you ask?

2. What other data would you analyse to gain deeper insights into your organisation's Ethics and Compliance programme effectiveness?

Conclusion and Questions

• Advantages and disadvantages to different types of surveys

• Surveys can help to identify issues and "hot spots", but they are just one piece of the jigsaw

• Consider combining survey data with other information to gain deeper insights into the effectiveness of your organisation's ethics and compliance programme

• Communicate what action is being taken in response to the survey results