What will your employees say?:
The importance of cultural assessments

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What is culture?

How do you assess culture?
Is there a problem?

Group exercises and discussion

culture:
the set of shared attitudes, values, goals, and practices that characterizes an institution or organization

Merriam-Webster Dictionary
ethical culture:
the extent to which an organization regards its values. Strong ethical cultures make doing what is right a priority. Ethical culture is often unwritten code by which employees learn what they should think and do.

ERC (Ethics Resource Center)

Legal Value of Culture

*A firm must “…promote an organizational culture that encourages ethical conduct…”*

United States Sentencing Guidelines
Section 8B2.1(a) of the revised guidelines
November 2004
How do you assess culture?

- What does the organization believe in?
- Do the employees know that?
- Have you asked them?
- Are you ready for their answers?
- What do you do with their answers?

The Compliance Program Survey

- Does _________ have a compliance and ethics program?
- Does _________ have a compliance officer?
- Who is the compliance officer?
- Does _________ have policies that prohibit illegal and unethical conduct?
- Do employees think the policies give good advice?
- What do employees think of their managers?
- Do they feel comfortable going to their managers for advice?
The Compliance Program Survey

• Does ________ conduct training on policies that you are expected to follow?
• Have you taken that training?
• Was the training useful to you?
• Were you able to ask questions about the topic?
• Is there pressure to make quotas?
• Does that pressure take priority over following policies on compliance and ethics?

The Compliance Program Survey

• Does senior management demonstrate a commitment to honesty and integrity?
• Do they talk about it?
• Does ________ have clear core values?
• If you have a question about whether something is illegal or unethical, or violates company policy, do you know where to go for guidance?
• Do the rules apply to all employees equally?
The Compliance Program Survey

- Do you have a way to report illegal or unethical activity?
- Do you know how to do so?
- Are you comfortable doing so?
- Are you worried about retaliation?
- Does ________ have a policy against retaliation?
- Does ________ impose discipline against employees who commit illegal or unethical activity?

The Compliance Program Survey

- Have you ever been asked, or felt pressured, to do something illegal or unethical related to your work?
- Are you aware of any illegal or unethical conduct at ________?
- When there has been a problem, are lessons learned from that event shared with the organization?
- Does ________ benchmark against others?
There's a reason the government asks

76% of employees in business have observed a high level of illegal or unethical conduct at work in the last 12 months.

KPMG Organizational Integrity Survey

Why you should worry

• 65% employees don’t report violations
• 96% feared being accused of not being team players
• 81% feared nothing would be done
• 68% feared retaliation

Society of Human Resources Managers
Group Exercises and Discussion

Group Exercise #1

*You are a government prosecutor. You are investigating major violations of law you believe were committed by your target of your investigation.*

- Develop a set of questions that you wish to ask employees of the company you are targeting.
- These questions are designed to expose a culture with a lack of concern for ethics and a culture of doing whatever it takes to make a profit.
Group Exercise #2

You are legal counsel for a company targeted by the government.

• What questions will you allow your employees to answer when the government comes to conduct interviews?
• How will you prepare your employees for the interviews?

Group Exercise #3

You are the organization’s Chief Compliance and Ethics Officer.

• Prepare a list of questions to ask your employees to assess the culture of your organization.
• Remember; you want to know what your employees will tell the government before they tell them!
Q1: Does your employer have a compliance and ethics program?

Answered: 726   Skipped: 1

- Yes: 97.66%
- No: 0.69%
- Unsure: 1.65%

Powered by SurveyMonkey
Q2: Do you know who your employer’s Chief Compliance & Ethics Officer is?
Answered: 713    Skipped: 14

Q3: Does your employer have policies that prohibit illegal and unethical conduct?
Answered: 704    Skipped: 23
Q4: Does your employer conduct training on policies that you are required to follow?
Answered: 713    Skipped: 14

Q5: Is your employer's training on its Prevention of Harassment Policy relevant and useful to you as an employee?
Answered: 711    Skipped: 16
Q6: Does your employer's senior management demonstrate a commitment to honesty and integrity?
Answered: 713    Skipped: 14

Q7: If you have a question about whether something is illegal, inappropriate or against one of your employer's policies, do you know where to go for guidance?
Answered: 723    Skipped: 4
Q9: Do the rules and policies apply equally to all employees?

Answered: 722    Skipped: 5

Q10: Have you ever been asked, or felt pressured, to do something illegal or unethical related to your job?

Answered: 722    Skipped: 5
Q11: Do you believe you can report a violation of law or company policy without fear of retaliation?

Answered: 717    Skipped: 10

Q12: Are you aware of any illegal or unethical conduct at your job?

Answered: 717    Skipped: 10
Q13: Does your employer provide a way for you to anonymously report suspected violations of law or company policy?

Answered: 724   Skipped: 3

![Bar chart showing responses]

91.65% Yes, 0.69% No, 5.66% Unsure