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 an 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?
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

There's a reason the government asks

• 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

Why you should worry

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

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: 711
- Skipped: 12
Q13: Does your employer provide a way for you to anonymously report suspected violations of law or company policy?

Answered: 724    Skipped: 3