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

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What is culture?

How do you assess culture?

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Is there a problem?

Group exercises and discussion

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culture:

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

Merriam-Webster Dictionary

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ethical culture:

the extent to which an organization regards it's 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)

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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

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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?

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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?

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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?

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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?

10

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?

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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?

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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

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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

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Group Exercises and Discussion

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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.

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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?

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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!

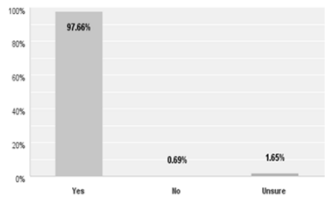
18

Examples

19

Q1: Does your employer have a compliance and ethics program?

Answered: 726 Skipped: 1



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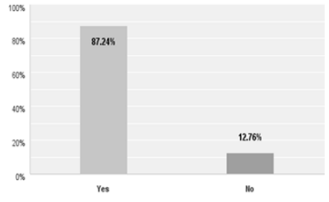
Q2: Do you know who your employer's Chief Compliance & Ethics Officer is?

Answered: 713 Skipped: 14



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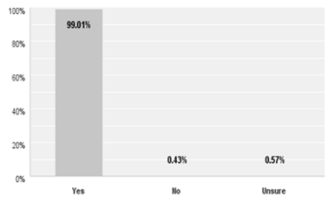
Q3: Does your employer have policies that prohibit illegal and unethical conduct?

Answered: 704 Skipped: 23



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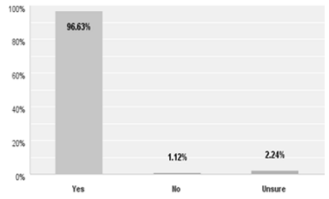
Q4: Does your employer conduct training on policies that you are required to follow?

Answered: 713 Skipped: 14



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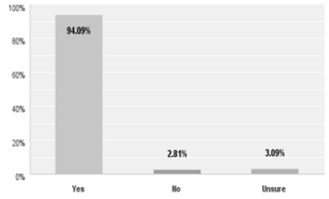
Q5: Is your employer's training on its Prevention of Harassment Policy relevant and useful to you as an employee?

Answered: 711 Skipped: 16



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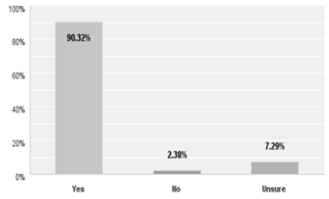
Q6: Does your employer's senior management demonstrate a commitment to honesty and integrity?

Answered: 713 Skipped: 14



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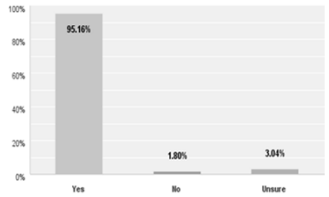
Q7: If you have a question about whether something is illegal, inappropriate or against one of your employer's policies, do you know where to go for guidance?

Answered: 723 Skipped: 4



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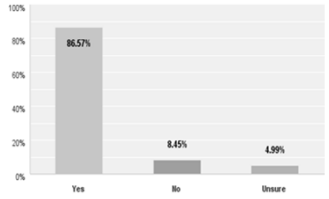
Q9: Do the rules and policies apply equally to all employees?

Answered: 722 Skipped: 5



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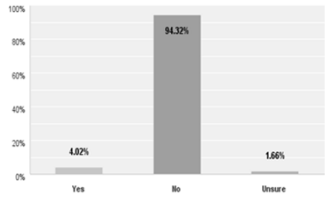
Q10: Have you ever been asked, or felt pressured, to do something illegal or unethical related to your job?

Answered: 722 Skipped: 5



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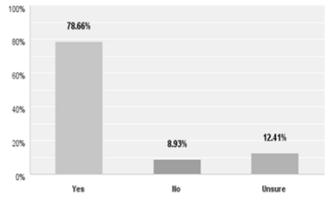
Q11: Do you believe you can report a violation of law or company policy without fear of retaliation?

Answered: 717 Skipped: 10



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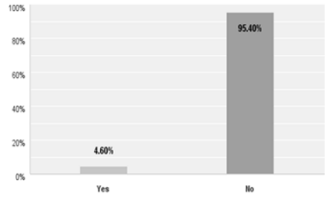
Q12: Are you aware of any illegal or unethical conduct at your job?

Answered: 717 Skipped: 10



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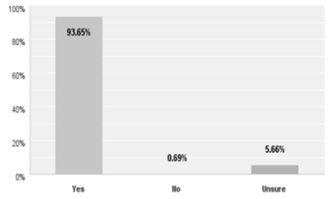
Q13: Does your employer provide a way for you to anonymously report suspected violations of law or company policy?

Answered: 724 Skipped: 3



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