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Willingness to report, faith in senior leadership are key to ethical culture

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Organizational culture can be hard to define, but it underlies every aspect of a company's business success. It affects how a company does business, what employees believe the company expects of them, and many other aspects of the organization's success. Investors are increasingly asking questions about culture, and many organizations continue to struggle to answer them.

Across industries, geographies, and company sizes, Ethisphere's culture survey data set shows that there is a substantial gap between the number of employees who say they hypothetically would be willing to report misconduct if they observed it, and the number of employees who reported misconduct they actually observed—93% say they would report, but only 54% of employees who observed misconduct actually did. The 39-point delta here is largely due to a fear of retaliation for reporting and the belief that the company will not take action—the two most commonly cited reasons for not reporting—and it means that many instances of ethical conduct are simply going unreported and hence unaddressed.[1]

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