Ethikos Volume 37, Number 3. July 01, 2023
Key insights from the LRN 2023 Ethics & Compliance Program Effectiveness Report

by Susan Divers

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How confident are you that your ethics and compliance program is helping your organization navigate today's risks? Economic uncertainty, geopolitical conflict, supply chain disruption, stakeholder activism, and increased scrutiny by government regulators present significant challenges for the road ahead. But new data from LRN's *2023 Ethics & Compliance Program Effectiveness Report* shows that program effectiveness reinforces corporate resilience in challenging times.

Based on a survey of nearly 1,860 ethics and compliance professionals at companies and organizations worldwide—one of the largest surveys of its kind—this annual report aims to help businesses:

- Access important benchmarks to evaluate and enhance their own compliance programs.

- Learn what worked, what needs improvement, and why some ethics and compliance (E&C) programs excelled while others did not.

- Answer a critical question posed by government regulators: Does their compliance program work in practice, not just on paper?

This year's report determines the substantial differentiators that make some E&C programs more effective than others. These differences—and the best practices embraced by high-performing programs—are even more vital to understand than before. Let's dig into several key insights from the report and what they mean for improving E&C program effectiveness in 2023.

Ethical culture is getting stronger across compliance programs

To what extent do you agree or disagree with each of the following statements about your organization's response in meeting the challenges of the past 12 months?

(% Agree)

● Overall ● High-Impact ● Medium-Impact ● Low-Impact

87%	94%	93%	76%

E&C considerations have played an important role in shaping my organization's response to the challenges that face us.

85%	94%	92%	72%

Our ethical culture is stronger as a result of our experiences.

84%	94%	86%	73%

Our organization has emphasized our company values, rather than rules and procedures, to motivate employees to do the right thing in difficult circumstances.

80%	90%	84%	69%

We have made significant changes to our E&C program to meet the needs of employees working remotely and on a hybrid basis.

E&C programs emerged from the COVID-19 pandemic and subsequent disruptions with strengthened ethical culture. According to the report, 85% of respondents stated that their ethical culture is stronger because of their experiences meeting challenges over the past year. Even more reported that E&C considerations were considered in meeting these challenges. And 84% reported that their organizations relied upon values rather than rules to motivate employees to do the right thing.

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