

## CEP Magazine – April 2024



**Lori Tansey Martens**  
([martens@business-ethics.org](mailto:martens@business-ethics.org)) is  
President of International Business  
Ethics Institute in Washington, DC,  
USA.



**Adam Turteltaub**  
([adam.turteltaub@corporatecompliance.org](mailto:adam.turteltaub@corporatecompliance.org))  
is Chief Engagement & Strategy  
Officer at SCCE & HCCA, based in  
Eden Prairie, Minnesota, USA.

### Meet Lori Tansey Martens: A veteran shares her unconventional wisdom

---

By Lori Tansey Martens and Adam Turteltaub

**AT:** You got involved in ethics very early. What led you to the field?

**LTM:** I started my professional career at Procter & Gamble (P&G) in brand management, which turned out to be an excellent foundation for a business ethics career—you run your own business within the confines of a large corporation. While P&G was a great training ground, I've always been an idealist and wanted to do work I found meaningful. I saw a job ad in *The Washington Post* (I'm really dating myself!) for the old Ethics Resource Center's Advisory Services, got the job, and realized I had found my life's calling.

**AT:** What was the state of the ethics profession back then?

**LTM:** It wasn't really a profession. There were only a couple of nonprofits and a few university professors active in the field as everyone was trying to figure this thing out. I still remember some of the research from the early days. Only half of Fortune 500 companies had codes or values statements, and barely a third were doing any form of (mostly occasional) ethics training. The number of ethics and compliance officers was statistically insignificant. It's been fascinating to watch the field explode.

**AT:** Let me ask a related question: How would you characterize the attitudes of business toward business ethics as a function rather than just a notion?

**LTM:** During those early days, companies that weren't in trouble regarded business ethics as a mindset, not a job. CEOs would hold seminars for senior leaders to discuss ethics issues, but they weren't interested in formal, company-wide approaches.

Business ethics as we know it today was born from headline-making scandals of the 1980s, particularly those in the defense industry. The Defense Industry Initiative laid the groundwork for creating formal ethics programs (e.g., codes, training, hotlines), which required full-time personnel to manage. When the Sentencing Guidelines codified this programmatic approach in 1992, companies that weren't in trouble saw the value of adopting preventive programs, and that ignited the business ethics boom.

The problem with the Sentencing Guidelines (excuse me while I reach for my soapbox) was that it codified a particular approach to business ethics before we were really ready to cry "Eureka!" While not intentional, the guidelines had the unfortunate side effect of cutting off innovation in the field as everyone rushed to meet the seven requirements of an effective program. Which, ahem, at the time had not really been proven to be effective.

---

**AT: How have you seen employee expectations evolve?**

**LTM:** Here's what hasn't changed—when you say “ethics,” employees hear “fairness.” As in, are they being treated fairly by the company? Most employees don't judge a company on its risk management frameworks or stakeholder engagement but on how they themselves are treated. That hasn't changed, and I doubt it ever will. Human nature is pretty fixed.

What has evolved is the definition of fairness, and that's expanded substantially. A century ago, the average work week was 50 hours—roughly eight hours a day, six days a week. Health insurance, 401K matches, and paid vacations were pipe dreams. Now we're flirting with a 32-hour, four-day work week and have added work-from-home into the mix.

By the way, that 50-hour work week of the 1920s was a reduction from the prior decade and was won largely as a result of labor strikes in 1919. Between 1915 and 1919, inflation was rampant in the United States—prices doubled and tripled, but worker wages barely budged, and not enough to make up the shortfall. As a result, 1919 saw the largest number of labor strikes in U.S. history. To paraphrase many of the great philosophers, those who forget the past are destined to repeat it.

**AT: Do you think the pandemic has caused a shift in any way? We saw businesses show a lot of respect and consideration for employees during that time. Did we set new expectations?**

**LTM:** Yes, with things back to normal, employees miss the boss asking, “How are you doing?” and really caring about the response. I'd love to see more focus in our field on psychological safety, a concept popularized by professor Amy Edmondson of Harvard. A big component of psychological safety is that employees feel valued and heard, and it's an essential element of that often-elusive speak-up culture we're trying to create for our employees.

But by far the biggest shift in expectations was remote work, and many office-based employees now see at least occasional work-from-home as a right.

**AT: On a related note, I do wonder if it's harder to set expectations and cultural expectations with so many employees working at home. What are you finding in terms of their commitment to the corporate culture and values?**

**LTM:** First, the data is clear on remote workers. Large numbers are not acclimatizing to the culture nor forming deep ties to the company, and that's especially true for nonlegacy employees. It's relevant for ethics and compliance because remote employees typically speak up less about observed misconduct and delay longer when they do. Hybrid arrangements are more difficult to quantify because there are so many variations. But it's creating a massive change in the workplace, and with change, there is always risk.

**AT: How do we ensure the person in the office, maybe a day or two a week (or even less), internalizes ethical expectations?**

**LTM:** Make days in the office really count by being intentional about transmitting values and ethical expectations. Managers need education on how to do this because it's not something anyone learns in school or from most corporate leadership programs. For those with a strong interest in this topic (which is hopefully anyone with remote/hybrid workers), I highly recommend our recent SCCE podcast on remote work issues.<sup>[1]</sup> For a deep dive into remote effects on speak-up cultures, I also recommend, “Reporting challenges for remote and hybrid workers” in *CEP Magazine*, which I co-authored with Jason Lunday from Syntrio and Iveta Wentink from Konica Minolta.<sup>[2]</sup>

**AT: I want to take advantage of your expertise in conducting employee surveys. First, what data should a culture survey seek to capture?**

**LTM:** Start by defining the ethical culture you are trying to achieve and be specific. A big problem with many culture surveys is that they are too generic and focus on measuring perceptions or awareness of program elements versus the actual day-to-day culture as employees experience it. For example, a commonly asked question is awareness of company standards or the code. That's nice, but I can't think of many companies that got into *serious* trouble due to employee ignorance of a policy. The far bigger risk is when employees absolutely know what they are doing is wrong but do it anyway. Understanding the risk factors behind that behavior should be the focus of your culture assessment.

While I was at the Ethics Resource Center, I developed the first National Business Ethics Survey. It stemmed from my background at P&G, where data was king, and I hoped to establish benchmarks to help companies assess strengths and weaknesses with respect to ethics. But over time, I've realized that employee surveys are different. One big caveat with corporate surveys is that employees aren't always honest or accurate. I've seen stats that anywhere from 25% to 40% of the workforce don't honestly answer sensitive questions out of fear the survey is not really anonymous—they even fib on their demographic information! Then there's the disconnect between employee self-perceptions and their actual behavior. For example, most employees reply affirmatively to the statement, "I feel comfortable reporting misconduct, etc." But when asked if they've witnessed misconduct and whether they reported it, the number drops substantially, typically by as much as half!

Culture is a lot like corporate values—at the end of the day, show me who gets promoted within your organization, and I'll give you a pretty accurate description of organizational culture. Do yes-men and yes-women tend to do well? Folks who skirt the edges of policies? Are great people managers promoted or those who produce results irrespective of ethical leadership skills?

Among the best data points for culture assessments is to look for commonalities among the strengths and weaknesses of managers promoted during the past 12 months, especially at senior levels. That's a pretty accurate indicator of your culture at a particular point in time.

**AT: Are there survey questions that may seem worth capturing that really aren't that instructive in the end?**

**LTM:** Let's unpack some common survey question pitfalls using the example, "I believe that my company's ethics training and communications are effective." Right off the bat, we've got a problem: This question lumps together two separate things—training and communications. When you get your results, how can you tell which one needs work? Plus, it's not clear what "ethics training" means here. Are we talking about the yearly code of conduct refreshers, everyday guidance from a manager, or specialized training for certain functions that might include ethics?

Digging deeper, the term "effective" is itself ambiguous. Effectiveness should be measured against specific objectives. Can employees truly assess this? Think back to the difference between employees saying they'd report misconduct and actually doing it. They might not have the best perspective. If your training aims to encourage misconduct reporting, ask directly about that behavior when they actually faced it. The question about whether they've seen misconduct and reported it is a much sharper tool for measuring your training's impact.

I see a lot of survey questions falling into similar kinds of traps. I get it—the temptation to benchmark is strong. But we need to ask: Is it worth sacrificing precise, actionable insights for a comparative standard that might not align with our unique organizational culture?

I suspect artificial intelligence (AI) will completely transform the landscape of employee surveys. We're moving

toward a future where surveys can be customized for each person, and some providers are already leveraging real-time analysis of internal corporate communications—think Teams, Slack channels, and emails. They use language algorithms to decipher a range of cultural indicators, from engagement to satisfaction levels. It's conceivable that you could learn how often employees reference standards or values in their communications on a day-to-day basis. However, it feels a bit Orwellian, doesn't it? How will employees react? Once they're aware that their every word is being constantly monitored, will they become overly cautious about their communications even if promised anonymity? I fear that's exactly what will happen, and it's the polar opposite of a speak-up culture.

**AT: For a survey to be successful, you need lots of people to take the time to complete it. What do you find works for getting employees to take the time to respond?**

**LTM:** Everyone is sick to death of surveys, not just the ones we receive in the office. We can't do anything today—call customer service, order a product, stop for fast food—without being asked to complete a survey. That's why they should be used sparingly and only to capture relevant and actionable data that's not available from any other source.

General tips to heighten response rates include shorter surveys that can be completed in under 15 minutes, rapid publication of results (it seems it takes at least four-to-six months for most survey results to get distributed) and demonstrating concrete action in response to the results. And be careful with pulse surveys. I think even short ones—if done too frequently—will cause employees to start tuning them out. Ask yourself if the data you are seeking can only be gathered through a survey. In many cases, there are better (and possibly more accurate) options.

**AT: Once the results are in, what's your feeling on sharing them with the workforce? Is the data just for management? Should it be shared, and if so, how?**

**LTM:** I'm not sure why you wouldn't share them. Trust me, there is nothing in a culture survey that will come as a shock to your rank-and-file employees. And not sharing results speaks volumes about your organization's true commitment to trust and transparency. If your senior leadership isn't comfortable honestly sharing survey results, including negative findings (oops, I mean, "opportunity areas"), you have an ethical culture problem. Don't bother with any more surveys until you start fixing that; otherwise, you risk breeding cynicism among employees.

How should you share results? Start by thanking employees for their time and their courage in speaking up. Include language like, "We hear you, and we're listening." Try not to get defensive or explain away negative results. Talk about possible options to address priority issues and invite feedback. One of the toughest jobs for ethics and compliance leaders is to help senior executives view results as important *learning* for the organization and not as an indictment of their leadership.

**AT: Let's get back to ethics. One of the things I have seen is that ethical standards keep rising. We either realize practices that had been around probably aren't ideal or are truly appalling once we think about them, or we discovered something that seems distant, such as human trafficking and modern slavery, is not so remote. Many businesses have it in their supply chain. First, how do we keep our eyes on the ethical horizon?**

**LTM:** I think the best way is participating in workshops, seminars, and conferences related to ethics and compliance *and in person!* At least 50% of the value of these events comes not from formal presentations but from informal networking with peers and listening to some of the issues they see or are experiencing. The problem many of us face, however, is that thanks to COVID, leaders have become very comfortable slashing travel budgets. It's penny-wise and pound-foolish, but travel remains a tough sell for many ethics and compliance

departments.

**AT:** Once we spot an issue, how do we help management recognize that this is likely a significant and future risk to the organization?

**LTM:** First and foremost, know your management. I mean *really* know them, what makes them tick, their decision-making style, their Myers–Briggs type, etc. I don’t mean to sound Machiavellian (although there is a well-thumbed copy of *The Prince* on my bookshelf!), but your communications should be tailored to the recipient. Is the CEO primarily data-driven? Use numbers to persuade. Is the functional head particularly fond of their own ideas? Find a way to make this *their* idea. Is the senior leader a follower (and research suggests as many as a third of senior executives are), then talk in terms of what other companies are doing about the issue.

**AT:** While we’re on the subject, are there any issues you see on the horizon?

**LTM:** AI, but it’s not on the horizon—it’s here. And I’m referring to day-to-day use of AI, not its potential to destroy mankind! On a basic level, is it okay to use AI to write performance reviews? To select candidates for jobs or promotions? When should we acknowledge its use? And what about your supplier agreements? Do they discuss AI and notification requirements? Then there are issues of “AI washing,” which is already tripping up some companies, not to mention intellectual property and copyright concerns. Finally, there’s the issue of environmental impact, because the computational requirements to train AI leaves a substantial carbon footprint.

Another concern looming larger is privacy protections as the U.S. moves closer to the more stringent European models of privacy, which will ultimately affect customer, user, and employee data. One other issue to mention is product ethics and larger societal impacts. It’s not just about whether a product works anymore; it’s about making sure it’s not doing harm in other ways, for example, by damaging the psychological well-being of its users. While we associate this with the social media giants, I see this issue spilling over to affect other consumer products.

**AT:** Finally, how do you see the practice of business ethics evolving over the next five years?

**LTM:** In some ways, we haven’t progressed as much as I had hoped. For the last 30 years, we’ve mostly focused on finding new and better ways to do codes, training, and hotlines; while all these are important, true innovation has lagged. I had high hopes that behavioral science and social psychology would finally yield breakthrough innovations, allowing us to harness fundamental aspects of human nature to drive ethical conduct. Unfortunately, recent questions around replication and data integrity in several seminal studies means we’ll have to wait and see. And, of course, if the allegations are proven, the rich irony of lying about studies on dishonesty should not be lost on us!

The biggest challenge in business ethics hasn’t changed since I began my career: How can we deter otherwise well-intentioned individuals from *knowingly* making astonishingly poor decisions and engaging in wrongdoing? The answer is deeply rooted in organizational culture, and frankly, we’re just scratching the surface of how to effectively design—let alone implement—a truly ethical culture. It’s the most crucial challenge we confront and why culture will be the primary research focus at the Institute for years to come. Just when we think we’ve got it figured out, new data emerges, and the complexity deepens. Take “stretch” objectives, for example. I’ve long advocated for setting challenging yet realistic goals, but recent studies suggest they might inadvertently prompt employees to cut corners, more so than outright unattainable targets!

But here’s one thing I hope never changes. I found a home in this field because ethics and compliance professionals are, like me, idealists—just trying to make this world a better place, one organization at a time. I hope we never lose that, never give up trying to find the answers, and never stop believing we can make a

difference. It's been an honor and a privilege to stand shoulder to shoulder with so many dedicated individuals, and I hope that over the course of my career, I've given at least a little bit back to this field that has meant so much to me.

**AT: Thank you for sharing your insights with our readers, Lori!**

**1** Adam Turteltaub, "Lori Tansey Martens on the Continued Challenge of Remote Work and Corporate Culture [Podcast]," *The Compliance & Ethics Blog*, December 5, 2023, <https://www.complianceandethics.org/lori-tansey-martens-on-the-continued-challenge-of-remote-work-and-corporate-culture-podcast/>.

**2** Iveta Wentink, Lori Tansey Martens, and Jason Lunday, "Reporting challenges for remote and hybrid workers," *CEP Magazine*, November 2023, <https://compliancecosmos.org/reporting-challenges-remote-and-hybrid-workers-1>.

This publication is only available to members. To view all documents, please log in or become a member.

[Become a Member](#) [Login](#)