

## ***Benefits of An Ethical Culture***

- TedTalk: Creating Ethical Cultures in Business – Brooke Deterline



- [2023 Ethisphere Ethical Culture Report Reveals the Impacts of the Pandemic on Corporate Accountability](#)

Ethisphere 2023 Ethical Culture Report

- [Culture Matters: The Evidence of a Strong Ethical Culture are Manifold](#)

Ethisphere Magazine 2023

- According to the ACFE 2022 Report to the Nations, which is conducted every two years, organizations that had a Code of Conduct for employees experienced fraud losses which were 50% less costly than companies without a Code of Conduct. Full statistics on [Hotline and Reporting Mechanism Effectiveness](#).

- An ethics and compliance program is a powerful tool for reducing pressure to compromise standards and observations of misconduct; increasing employee reporting of observations that occur; and decreasing retaliation against whistleblowers. In essence, when a company commits resources to ethics, it makes a difference. Fewer employees feel pressured to break the rules and fewer misdeeds take place. When bad behavior does happen, employees tell management so the problem can be addressed internally.

*ECI Five Ways to Reduce Ethics and Compliance Risk*

➤ Previous Ethics & Compliance Initiative research indicates that an ethically healthy organization is one where:

1. Few employees feel pressure to compromise organizational ethics standards and consistently view senior leaders both exhibiting and promoting ethical behaviors and decisions.
2. Misconduct is rare and employees are held accountable, irrelevant of position/authority.
3. Observations of misconduct are reported.
4. Reports of misconduct are appropriately addressed in a timely manner
5. Employees who report misconduct do not experience retaliation

*ECI Global Business Ethics Survey 2021*

➤ Organizations with weak ethical cultures do not adhere to principles of good governance and ethics.....Research indicated that an ethical culture is characterized by a combination of the following components: ethics accountability and responsibility; the commitment of non-managerial employees, middle management and leadership (senior management) commitment to ethics; ethics talk; the ethical treatment of people; and ethics awareness in the organization.

*The Ethics Institute, The Main Culprits of Weak Ethical Cultures*  
*March 2020*

➤ Rules matter, but culture and ethics matter more.....As important as both compliance and ethics are, ethics holds us to a higher standard, in my view. It's crucial to respect your institution's rules and policies, as well as the relevant laws and regulations, but your duties don't stop there.

*Forbes, What the Difference Between Compliance and Ethics*  
*May 2019*

➤ What are the benefits of ethics influencing corporate culture?

1. Boosts morale
2. Misconduct declines
3. Increases productivity
4. Improves compliance

*Powerdms, Role of Ethics & Compliance in Corporate Culture,  
March 2019*

➤ In organizations where employees perceive that a high-quality ethics and compliance program is present:

1. Favorable ethics program outcomes are increased more than 10X
2. When employees are encouraged to base DECISION-MAKING on organizational values and standards, favorable ethics outcomes increased 11X
3. When employees felt that their supervisors would hold them ACCOUNTABLE for wrongdoing, favorable ethics outcomes increased 12X
4. When employees felt encouraged to SPEAK UP even with bad news, favorable ethics outcomes increased by 14X

*ACUA Measuring the Impact of Ethics & Compliance Programs,  
June 2018*

➤ According to Ethics Expert Chuck Gallagher, there are five key benefits of an ethical culture:

1. An Ethical Management Team is Good for Business
2. Customers Buy More from an Ethical Company
3. Ethical Companies Operate More Profitably
4. An Ethical Organization is a Healthy Organization
5. An Ethical Organization Understands its goals

*Business Ethics with Chuck Gallagher  
2015*

- According to retired management consultant Larry Ventimiglio, there are benefits to ethics in the workplace around asset protection, productivity and teamwork, public image, and decision-making.

<https://www.linkedin.com/pulse/benefits-importance-ethics-workplace-larryventimiglio/>

(2015)