

Benefits of An Ethical Culture

- According to the ACFE 2018 Report to the Nations, which is conducted every two years, organizations that had a Code of Conduct for employees experienced fraud losses which were 56% less costly than companies without a Code of Conduct. Organizations with an Ethics & Compliance Reporting Hotline experienced fraud losses which were 50% less costly than organizations without an Ethics line.
- According to the Corporate Executive Board (CEB), companies with weak ethical cultures experience 10 times more misconduct than companies with strong ethical cultures. Companies with strong openness of communications deliver shareholder returns an average of five percent higher than their peers.
- “The advantages of a strong ethical culture are manifold. Studies repeatedly show that businesses with strong ethical cultures outperform those without; there are a variety of reasons underlying that performance data. Companies with stronger cultures tend to have employees who are more engaged and committed. Turnover tends to be lower and productivity higher. Customers and investors increasingly seek companies whom they believe behave ethically, as the 2015 Aflac Corporate Social Responsibility Survey showed.”
Culture Matters: The Advantages of a Strong Ethical Culture are Manifold by Erica Byrne (2016)
- Companies that work to build and maintain ethical workplace cultures are more financially successful and have more motivated and productive employees. *HR Magazine, Creating an Ethical Culture, April 2014*

- Organizations with stronger cultures find far fewer employees (4%) feel pressure to commit misconduct than in weaker cultures (15%). Likewise, the rate at which employees observe misconduct by co-workers is nearly twice as high in weaker cultures (76%) than stronger cultures (39%). *Ethics Resource Center, June 2010*
 - Organizations that build an ethical culture outperform organizations that do not. *Center for Ethical Business Cultures, James A. Mitchell, 2001.*
 - When companies value ethical performance, misconduct is substantially lower: In 2013, only 20% of workers reported seeing misconduct in companies where ethical cultures are “strong” compared with 88% who witnessed wrongdoing in companies with the weakest cultures. *Ethics Resource Center National Business Ethics Survey 2013, HR Magazine, Creating an Ethical Culture, April 2014.*
 - 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; <http://www.chuckgallagher.com/5-key-benefits-of-creating-an-ethical-culture-in-your-company/> (2017)