



ETHICAL LEADERSHIP AROUND THE WORLD

And Why It Matters

A Research Report from ECI's Global Business Ethics Survey™

This report is published by the Ethics Research Center (ERC), the research arm of the Ethics & Compliance Initiative (ECI).

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ABOUT ECI

The Ethics & Compliance Initiative (ECI) empowers organizations to build and sustain High Quality Ethics & Compliance Programs (HQPs). ECI provides leading ethics and compliance research and best practices, networking opportunities and certification to its membership.

ETHICAL LEADERSHIP AROUND THE WORLD

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EXECUTIVE SUMMARY

Ethical leadership has long been a topic of interest in the ethics and compliance community and a pointed research focus at the Ethics & Compliance Initiative. Past research conducted in the United States and at multinational organizations has consistently shown that:

- Ethical leadership is a critical factor in driving down ethics and compliance risk;
- Leaders have a “rosier” view of the state of workplace integrity, and often have more positive beliefs than employees further down the chain of command; and
- The quality of the relationship between supervisors and reports goes a long way in determining whether employees report workplace integrity issues to management.

The Global Business Ethics Survey allowed us to test these ideas in a more global sphere, to see if these trends held on different continents and in vastly different cultures. We learned that when it comes to ethical leadership and its impact on workplace integrity, our 13 GBES countries were far more similar than different. **Key trends were (nearly) universal, which gives us renewed confidence about their applicability in numerous regions and cultures.**



WHAT IS ETHICAL LEADERSHIP?

Ethical leadership is a demonstrated commitment to promoting and upholding workplace integrity and organizational standards and values. Drawing from Brown, Treviño and Harrison's ethical leadership scale (2004) and previous ECI research, GBES investigated several behaviors characteristic of ethical leaders:

- | | |
|--|---|
| ✓ Talk about the importance of workplace integrity and doing the right thing | ✓ Hold themselves and others accountable for violating the organization's code of conduct |
| ✓ Set a good example | ✓ Give positive feedback for acting with integrity |
| ✓ Do not blame others when things go wrong | ✓ Keep their promises and commitments |
| ✓ Support employees' efforts to do the right thing | |

EXECUTIVE SUMMARY



KEY FACTS AT A GLANCE

ETHICAL LEADERSHIP is linked to significant reductions in ethics and compliance risk

- Top managers play a critical role in reducing pressure to compromise standards and lowering the rates of observed misconduct and retaliation against reporters.
- When employees think their supervisors are ethical, they are far more likely to report misconduct they observe.

TOP MANAGERS' COMMITMENT TO WORKPLACE INTEGRITY is related to employee retention.

SENIOR LEADERS ARE NOT DOING AS WELL AS THEY THINK THEY ARE when it comes to conveying both their own and the organization's commitment to workplace integrity.

- Non-management employees are far less likely to give top managers high marks for ethical leadership than top managers give themselves.
- In addition to being less positive about the ethical leadership of their top managers and supervisors, non-management employees are also a) less aware of the ethics and compliance resources available and b) less likely to find their organization's E&C programs valuable and effective.

MOST EMPLOYEES GIVE THEIR LEADERS HIGH MARKS for talking about the importance of workplace integrity, and many believe leaders set a good example. Unfortunately, the data reveal that a troubling number of workers see leaders blame others when things go wrong. Past ECI research demonstrated that when leaders talk about ethics but do not model them it can be worse than if they said nothing at all; when it comes to workplace integrity, leaders' hypocrisy can fuel employees' cynicism. This is troubling because times of crisis are characterized by heightened sensitivity, which have a profound impact on employees' beliefs about top managers.

EXECUTIVE SUMMARY

Recommendations for Organizations

- Remind leaders at all levels of their potential to positively impact their organization and employees' commitment to ethical conduct and workplace integrity. **Be particularly mindful of not just talking about the importance of workplace integrity, but also providing a good example—especially when things go wrong.**
 - » Provide messaging tools and communication resources to senior leaders to make it easier for them to consistently make workplace integrity a key priority in their communications and interactions.
 - » During challenging times, be mindful of the impact on both leaders and employees. Be a resource to senior leaders who need support, while also reminding management of the opportunity to serve as exemplars and to demonstrate the importance of a commitment to workplace integrity.
- **Overcommunicate to employees about the E&C resources available to them and explore where resources are underutilized, ineffective, or lacking.**
 - » Use pulse surveys to get a better sense of employees' awareness of E&C resources.
 - » Keep your code fresh in employees' minds by releasing it in different forms (e.g., hard copy, online, an app), and work with other functions (HR, health and safety) to also market your message and resources.
- **Be proactive about supporting reporters and keeping them informed, especially when they are most likely to feel vulnerable to retaliation.**
 - » Periodically check back with reporters to ensure that they feel safe and supported, and coordinate with HR and reporters' managers to see if there have been any changes or updates in status, which could be signs of retaliation.
 - » Ask your case management system provider to embed reminders about periodic check-ins with reporters to ensure that they feel safe and supported.

EXECUTIVE SUMMARY

The Positive Impact of Ethical Leadership

DESIRED OUTCOME	CONNECTED TO...
REDUCED PRESSURE TO COMPROMISE STANDARDS 	STRONG TOP MANAGEMENT COMMITMENT TO WORKPLACE INTEGRITY 
REDUCED OBSERVED MISCONDUCT 	STRONG TOP MANAGEMENT COMMITMENT TO WORKPLACE INTEGRITY 
INCREASED REPORTING OF MISCONDUCT WHEN OBSERVED 	STRONG SUPERVISOR COMMITMENT TO WORKPLACE INTEGRITY 
REDUCED RETALIATION AGAINST REPORTERS 	STRONG TOP MANAGEMENT COMMITMENT TO WORKPLACE INTEGRITY 
KEEP VALUED EMPLOYEES 	STRONG TOP MANAGEMENT COMMITMENT TO WORKPLACE INTEGRITY 

ETHICAL LEADERSHIP AROUND THE WORLD

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INTRODUCTION

Ethical leadership has long been a topic of interest in the ethics and compliance community and a pointed research focus at the Ethics & Compliance Initiative (ECI). Based on our research findings in the National Business Ethics Survey® and work with practitioners at U.S. and multinational organizations, we found time and again¹ that:

- Ethical leadership is a critical factor in driving down ethics and compliance risk.
- Leaders have a “rosier” view of the state of workplace integrity, and often have more positive beliefs than employees further down the chain of command.
- Supervisors are the “first line of defense” when it comes to the reporting of ethics issues. The quality of the relationship between supervisors and reports goes a long way in determining whether employees report workplace integrity issues to management.



Key trends were (nearly) universal, which gives us renewed confidence about their applicability in numerous regions and cultures.

The Global Business Ethics Survey™ allowed us to test these ideas in a more global sphere, to see if these truisms held on different continents and in vastly different cultures.














They did. When it comes to ethical leadership and its impact on workplace integrity, our 13 GBES countries were far more similar than different. Key trends were (nearly) universal, which gives us renewed confidence about their applicability in numerous regions and cultures.



ABOUT GBES

ECI's Global Business Ethics Survey™ is a rigorous, multi-country inquiry into worker conduct and workplace integrity. The GBES™ provides insight into workplace ethics in both public and private sector organizations. See Methodology (page 30) for more information.

GBES COUNTRIES

 Brazil	 Germany	 Japan	 South Korea	 United States
 China	 India	 Mexico	 Spain	
 France	 Italy	 Russia	 United Kingdom	

1. For example, see: Ethics Resource Center. (2014). Ethical Leadership: Every leader sets a tone. Arlington, VA: ERC.

KEY TERMS

WHAT IS ETHICAL LEADERSHIP?



Ethical leadership is a demonstrated commitment to promoting and upholding workplace integrity and organizational standards and values. Drawing from Brown, Treviño and Harrison's ethical leadership scale (2004) and previous ECI research, GBES investigated several behaviors characteristic of ethical leaders:

- ✓ Talk about the importance of workplace integrity and doing the right thing
- ✓ Set a good example
- ✓ Do not blame others when things go wrong
- ✓ Support employees' efforts to do the right thing
- ✓ Hold themselves and others accountable for violating the organization's code of conduct
- ✓ Give positive feedback for acting with integrity
- ✓ Keep their promises and commitments



WHAT IS TOP MANAGEMENT?

The GBES survey instrument defined "Top management" as "the most senior executives at your organization, including Chief Executive Officer (CEO), President, Chief Financial Officer, Chief Administrative Officer, Chief Operating Officer, General Counsel, etc."

LEGEND



TOP MANAGEMENT COMMITMENT TO WORKPLACE INTEGRITY



SUPERVISOR COMMITMENT TO WORKPLACE INTEGRITY







EMPLOYEE RETENTION

Red text and graphics throughout the report denote conditions and findings that are linked to higher ethics and compliance risk; green text and graphics denote conditions that are linked to reduced ethics and compliance risk.

WHAT WE LEARNED — AND YOU NEED TO KNOW

Ethical leadership is linked to significant reductions in ethics and compliance risk and increased employee engagement.

Ethics and compliance risk is the potential harm caused by a violation of workplace integrity. At ECI, we look at ethics and compliance risk through the lens of four related indicators:

ETHICS & COMPLIANCE RISK FACTOR	WHY IT MATTERS
 Pressure to compromise organizational standards, policy, or the law	Pressure is a leading indicator of misconduct. Where there is pressure to compromise standards, misconduct is far more likely to occur.
 Observed misconduct in the workplace	Misconduct puts the organization at serious reputational, financial and legal risk. It also creates a negative work environment, decreasing employee engagement and intent to stay at the organization.
 Rate of reporting misconduct when observed	When management is aware of an issue it can be mitigated. Problems that go unreported, however, cannot be addressed and can worsen.
 Retaliation experienced as a result of making a report	Retaliation is a form of misconduct and is indicative of a toxic environment that fosters misconduct.

Our findings make clear that—**stronger ethical leadership equates to reduced ethics and compliance risk and increased likelihood that organizations will keep valued employees.**

- In every country we surveyed, when top managers show a commitment to workplace integrity, pressure to compromise standards is less widespread and the rate of observed misconduct is lower.
- In many countries, reporting of observed misconduct is more commonplace when there is ethical leadership. Retaliation follows a similar positive trend in seven of 13 GBES countries.
- In 11 GBES countries, employees' intent to stay is linked to whether they believe their top managers are ethical leaders.

ETHICAL LEADERSHIP AND PRESSURE TO COMPROMISE STANDARDS

TOP MANAGERS PLAY A CRITICAL ROLE IN REDUCING PRESSURE TO COMPROMISE STANDARDS.



If top management shows **stronger commitment** to workplace integrity then fewer employees experience pressure to compromise standards.

If top management shows **weaker commitment** to workplace integrity then more employees experience pressure to compromise standards.



TRUE FOR

- | | |
|-----------|------------------|
| ✓ BRAZIL | ✓ MEXICO |
| ✓ CHINA | ✓ RUSSIA |
| ✓ FRANCE | ✓ SOUTH KOREA |
| ✓ GERMANY | ✓ SPAIN |
| ✓ INDIA | ✓ UNITED KINGDOM |
| ✓ ITALY | ✓ UNITED STATES |
| ✓ JAPAN | |

For detailed information about top management and pressure, please see Appendix A (p. 19).

RESEARCH CONNECTION

For more information on the power of leadership and leading strategies in organizations, see the Blue Ribbon Panel report Principles and Practices of High-Quality Ethics & Compliance Programs, specifically HQP3 and its Supporting Objectives and Practices, available at:

ethics.org/blue-ribbon



ETHICAL LEADERSHIP & MISCONDUCT



TOP MANAGERS CAN HAVE A POSITIVE IMPACT ON THE RATE OF OBSERVED MISCONDUCT.



If top management shows **stronger commitment** to workplace integrity then fewer employees observe misconduct.

If top management shows **weaker commitment** to workplace integrity then more employees observe misconduct.

TRUE FOR

- | | |
|-----------|------------------|
| ✓ BRAZIL | ✓ MEXICO |
| ✓ CHINA | ✓ RUSSIA |
| ✓ FRANCE | ✓ SOUTH KOREA |
| ✓ GERMANY | ✓ SPAIN |
| ✓ INDIA | ✓ UNITED KINGDOM |
| ✓ ITALY | ✓ UNITED STATES |
| ✓ JAPAN | |

For detailed information about top management and observed misconduct, please see Appendix B (p. 20).

ETHICAL LEADERSHIP & RETALIATION

TOP MANAGERS CAN KEEP RETALIATION AGAINST REPORTERS LOWER.



If top management shows **stronger commitment** to workplace integrity then fewer employees experience retaliation for reporting misconduct when observed.

If top management shows **weaker commitment** to workplace integrity then more employees experience retaliation for reporting misconduct when observed.



TRUE FOR

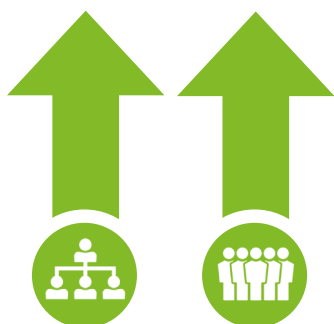
- | | |
|----------|-----------------|
| ✓ BRAZIL | ✓ MEXICO |
| ✓ CHINA | RUSSIA |
| ✓ FRANCE | SOUTH KOREA |
| GERMANY | SPAIN |
| ✓ INDIA | UNITED KINGDOM |
| ✓ ITALY | ✓ UNITED STATES |
| JAPAN | |

For detailed information about top management and retaliation, please see Appendix C (p. 21).

ETHICAL LEADERSHIP & EMPLOYEE RETENTION



TOP MANAGERS PLAY A CRITICAL ROLE IN INSPIRING EMPLOYEES TO STAY WITH THE ORGANIZATION.



If top management shows **stronger commitment** to workplace integrity then more employees intend to stay on for five years or more or until retirement.

If top management shows **weaker** commitment to workplace integrity then more employees intend to leave in the next year.

TRUE FOR

- | | |
|-----------|------------------|
| ✓ BRAZIL | ✓ MEXICO |
| ✓ CHINA | ✓ RUSSIA |
| ✓ FRANCE | ✓ SOUTH KOREA |
| ✓ GERMANY | ✓ SPAIN |
| ✓ INDIA | ✓ UNITED KINGDOM |
| ✓ ITALY | ✓ UNITED STATES |
| ✓ JAPAN | |

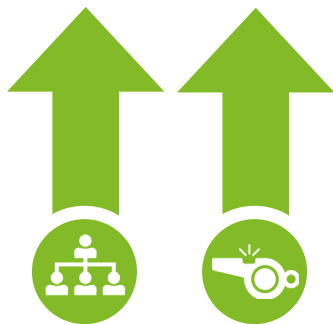
For detailed information about top management and retention, please see Appendix D (p. 22).

SUPERVISORS & REPORTING



When it comes to reducing ethics and compliance risk, GBES findings also reveal the critical role that supervisors play. Usually,² employees who observe misconduct and choose to report it go to their supervisors first. The likelihood that an employee will report (to their supervisors or elsewhere) rises when their supervisor acts as an ethical leader. This trend held in every country surveyed as part of the GBES. **Supervisors are management's most effective resource for ensuring that workplace integrity issues surface so that they can be resolved.**

WHEN EMPLOYEES THINK THEIR SUPERVISORS ARE ETHICAL, THEY ARE FAR MORE LIKELY TO REPORT MISCONDUCT THEY OBSERVE.



Supervisor commitment to workplace integrity raises reporting.

Lack of supervisor commitment to integrity lowers reporting.

TRUE FOR

- ✓ BRAZIL
- ✓ CHINA
- ✓ FRANCE
- ✓ GERMANY
- ✓ INDIA
- ✓ ITALY
- ✓ JAPAN
- ✓ MEXICO
- ✓ RUSSIA
- ✓ SOUTH KOREA
- ✓ SPAIN
- ✓ UNITED KINGDOM
- ✓ UNITED STATES

For detailed information about supervisors and reporting, please see Appendix E (p. 23).

RESEARCH INSIGHT

A lack of reports does not necessarily equate to a lack of problems. Managers who are open to hearing bad news from employees, whether it is about workplace misconduct or business concerns, are ones to whom employees will choose to speak up when the need arises.



2. In 9 of 13 GBES countries, the majority of employees reported to their direct supervisor first, with a GBES median of 51 percent.

LEADERS' EXPERIENCES DIFFER FROM EMPLOYEES'

In terms of promoting and supporting workplace integrity, many top managers are not doing as well as they think they are.

Our data show that ethical leadership is critical for reducing ethics risk. Unfortunately, leaders need to do a better job of demonstrating both their own and the organization's commitment to workplace integrity.

In seven GBES countries, top managers are significantly more likely to give themselves high marks for ethical leadership than non-management employees give them. Also, in all 13 countries, non-management employees are least likely to view supervisors as ethical leaders and top managers are most likely to. In addition to being less positive about the ethical leadership of their top managers and supervisors, non-management employees are also a) less aware of the ethics and compliance resources available and b) less likely to find the E&C program effective.



WHO ARE NON-MANAGEMENT EMPLOYEES?

The GBES survey asked employees whether they considered themselves to be top management, middle management, first-line direct supervisors, or not members of management. "Non-management employees" are self-designated.



RESEARCH INSIGHT

Leaders should not assume that their employees are aware of or feel comfortable using the E&C resources available to them.

- Overcommunicate about the strategies and tools available to employees.
- Take the time to learn what employees do and do not choose to utilize and why.
- Evaluate the efficacy of your E&C resources using both qualitative and quantitative methods, so you have a sense of gaps and strengths, where to make improvements and how.

LEADERS' EXPERIENCES DIFFER FROM EMPLOYEES'

Compared to top management employees, non-management employees are less impressed by their leaders' commitment to workplace integrity and the organization's E&C program.

Countries Where Top Managers Have “Rosier” Views Than Non-management Employees About...

Country	Top Management's Commitment to Workplace Integrity	Their Supervisor's Commitment to Workplace Integrity	Availability of E&C Resources	Effectiveness of E&C Programs
Brazil		✓	✓	
China		✓	✓	✓
France	✓	✓	✓	✓
Germany		✓	✓	✓
India		✓	✓	✓
Italy	✓	✓	✓	✓
Japan	✓	✓	✓	✓
Mexico	✓	✓	✓	
Russia	✓	✓	✓	✓
South Korea	✓	✓	✓	✓
Spain	✓	✓	✓	
United Kingdom		✓	✓	✓
United States		✓	✓	✓

For detailed information about employee perceptions of top management, supervisors, E&C resources, and their organizations' E&C programs, please see Appendices F (p. 24), G (p. 25), H (p. 26), and I (p. 27) respectively.

ETHICAL LEADERSHIP IN ACTION

Most employees agree that top managers say and act as if workplace integrity matters; however, when things go wrong top managers are less likely to demonstrate ethical leadership.

In every GBES country, a majority of employees agree that top managers talk about workplace integrity and the importance of doing the right thing. In 11 of 13 GBES countries,³ a majority of employees believe their top leaders set a good example. It is worth noting that in eight of 13 countries, significantly more employees believe top management talks about workplace integrity than sets such an example. (Interestingly, in China, the reverse is true.) This trend is worrisome because past ECI research demonstrated, when leaders talk about ethics but do not model them it can be worse than if they said nothing at all; when it comes to workplace integrity, leaders' hypocrisy can fuel employees' cynicism.

Exploration of other employee beliefs is even more disconcerting. The data reveals that few leaders actively avoid blaming others and a troubling number of workers see leaders actually blame others when things go wrong. This is especially problematic because **times of crisis are particularly critical for shaping employees' beliefs about top managers (for more information visit ethics.org/ethical-leadership).**

When challenges arise, it is natural for leaders to want to right the ship as quickly as possible and move on. Nevertheless, it is important for employees to see not only that problems are addressed, but that leaders have also taken the time to understand why. While never pleasant, problems and crises are also unique opportunities for leaders to focus on organizational values and to send a clear and powerful message to employees about the importance of accepting responsibility and acting with integrity.

3. In South Korea, the results round to 50 percent, but technically are not a majority of responses.

ETHICAL LEADERSHIP IN ACTION

Most employees give their leaders high marks for talking about the importance of workplace integrity; fewer see them setting a good example.

	Top Management TALKS About the Importance of Workplace Integrity	Top Management Sets a Good EXAMPLE of Workplace Integrity
Brazil*	84%	75%
China	84%	91%
France	56%	55%
Germany*	58%	52%
India	89%	88%
Italy*	70%	55%
Japan*	70%	62%
Mexico*	83%	79%
Russia*	70%	55%
South Korea*	62%	50%
Spain*	58%	49%
United Kingdom	69%	68%
United States	76%	77%

< 50 percent of employees (red text)

*=significantly more employees say top management talks vs. sets an example of workplace integrity.

For detailed information about employee beliefs about top management conduct, please see Appendix J (p. 28).

ETHICAL LEADERSHIP IN ACTION

Employee views of top management are far less positive when things go wrong; few employees believe top management avoids blaming others and many agree that leaders do blame others.

	Top Management TALKS About the Importance of Workplace Integrity	Top Management Sets a Good EXAMPLE of Workplace Integrity	Top Management Does NOT BLAME OTHERS When Things Go Wrong
Brazil	84%	75%	32%
China	84%	91%	40%
France	56%	55%	35%
Germany	58%	52%	37%
India	89%	88%	26%
Italy	70%	55%	30%
Japan	70%	62%	36%
Mexico	83%	79%	39%
Russia	70%	55%	26%
South Korea	62%	50%	25%
Spain	58%	49%	23%
United Kingdom	69%	68%	29%
United States	76%	77%	42%

< 50 percent of employees (red text)

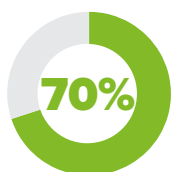
*=significantly more employees say top management talks vs. sets an example of work.

For detailed information about employee beliefs about top management behaviors, please see Appendix K (p. 29).

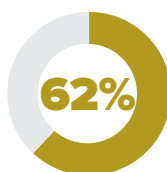
ETHICAL LEADERSHIP DURING CRISES

Employees Believe Top Management Talks About Workplace Integrity and Sets a Good Example—Until Things Go Wrong

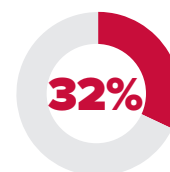
MEDIAN Percent of Employees Who Agree that Top Management...



TALKS About the Importance
of Workplace Integrity



Sets a Good EXAMPLE of
Workplace Integrity



Does NOT
BLAME OTHERS

In four of 13 GBES countries, nearly half said that top management blames others when things go wrong. In every GBES country, more than one in four held such a belief.⁴

It is worth noting that, in nearly every⁵ GBES country, **employees who believe top management blames others are more likely to intend to leave the organization imminently**, i.e., in the next 12 months or less. Also, employees in 11 of 13 GBES countries⁶ who believe top management does not blame others are more likely to plan on staying for the long haul—at least five years or until retirement.

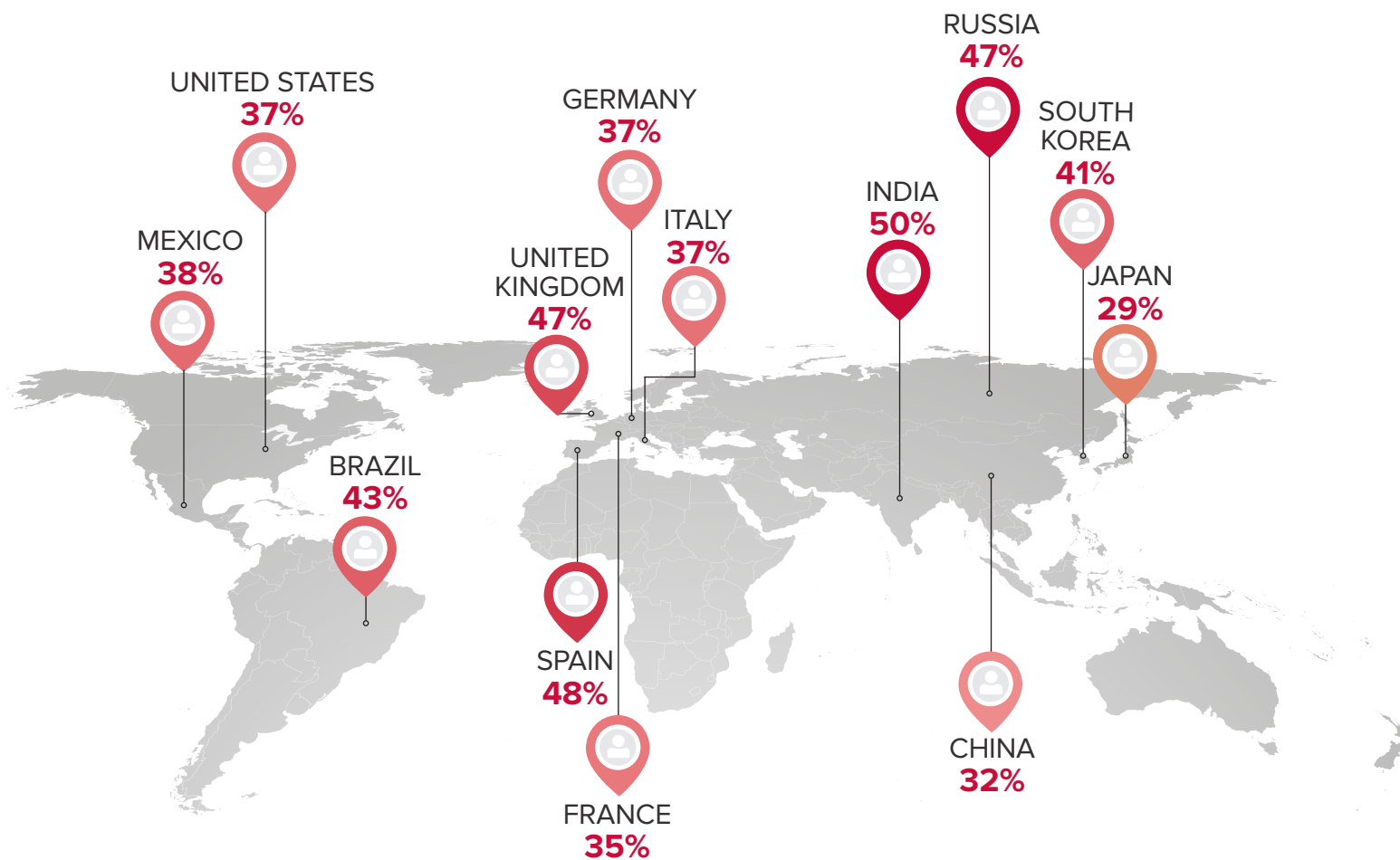
4. For detailed information about employee beliefs about top management blaming others, please see Appendices J (p. 28) and K (p. 29).

5. Japan and South Korea do not follow this pattern.

6. China and Japan do not follow this pattern

ETHICAL LEADERSHIP DURING CRISES

Many Employees See Top Management
BLAME OTHERS When Things Go Wrong



CONCLUSION & RECOMMENDATIONS

By utilizing GBES data we learned that the power of ethical leadership is more universal than culture-bound. Top leaders can be agents for change who set the tone for their organizations and send powerful messages about their organization's commitment to workplace integrity. Local leadership and supervisors can create smaller microcultures where mistakes and challenges are learning opportunities to be faced and addressed instead of problems to be feared and swept under the rug.

Our data reveal that leaders, on the whole, are doing well but could be doing even more—especially in how they react when things go wrong. The picture is not as rosy as many leaders believe it to be, both in terms of workers' beliefs about leaders' commitment to workplace integrity and the quality of the E&C resources afforded to them. Lack of ethical leadership and ineffective E&C resources put organizations at risk and drive down workers' engagement and intent to stay at the organization.

Taken together, our research into ethical leadership uncovered several key next steps for organizations:

- Remind leaders at all levels of their potential to positively impact their organization and employees' commitment to ethical conduct and workplace integrity. Their actions and attitudes make an enormous difference. **Be particularly mindful of not just talking about the importance of workplace integrity, but also providing a good example—especially when things go wrong.** Times of challenge and crisis are particularly important for shaping employee perceptions of leadership.⁷
 - » Provide messaging tools and communication resources to senior leaders to make it easier for them to consistently make workplace integrity a key priority in their communications and interactions.
 - » During challenging times, be mindful of the impact on both leaders and employees. Be a resource to senior leaders who need support, while also reminding management of the opportunity to serve as exemplars and to demonstrate the importance of a commitment to workplace integrity.
- **Overcommunicate to employees about the E&C resources available to them and explore where resources are underutilized, ineffective, or lacking.**
 - » Use pulse surveys to get a better sense of employees' awareness of E&C resources. The survey itself will also serve as a communication vehicle.
 - » Keep your code fresh in employees' minds by repackaging and re-releasing it in different forms, e.g., hard copy, online, an app.
 - » Work with other functions (HR, health and safety) to distribute your message and resources.

7. For more information about how employees form beliefs about their leaders, please see ethics.org/ethical-leadership

CONCLUSION & RECOMMENDATIONS

- **Be proactive about supporting reporters and keeping them informed, especially when they are most likely to feel vulnerable to retaliation.** Reporters are likely to feel particularly susceptible and be more sensitive after going to managers.
 - » Supervisors can support employees and promote a positive reporting experience by being particularly mindful of how actions and attitudes—even those which are unrelated to the report—may be perceived by the reporter.
 - » Make extra efforts to connect with the reporter in case he/she perceives retaliation and to communicate that the report made a difference. To learn more about the importance and impact of procedural justice, go to: ethics.org/procedural-justice-presentation
 - » Periodically check back with reporters to ensure that they feel safe and supported and that they and their careers are not adversely impacted by their courageous decision to speak up. Also coordinate with HR and reporters' managers to see if there have been any changes or updates in status for the reporter, which could be signs of retaliation.
 - » Ask your CMS (Case Management System) provider to embed reminders about periodic check-ins with reporters to ensure that they feel safe and supported. Include in the reminders a brief explanation about why monitoring is so important.
- **Provide support systems for leaders at all levels, and top managers in particular.** Leadership carries with it great opportunity, but also heightened responsibility, pressure, and oftentimes isolation.
 - » Train middle managers and newer managers on the importance of ethical leadership, as well as strategies for communicating the importance of workplace integrity, protecting potential victims of retaliation, behaviors that encourage speaking up and actions that could (even unintentionally) be perceived as being retaliatory.
 - » Support top managers who are at risk because they face a unique set of challenges. By nature of their position, senior leaders usually have fewer peers and people they can turn to for advice and support—especially internally. Encourage them to develop supportive relationships with internal and external colleagues.

Past ECI research has shown that ethical leadership plays an important role in driving down ethics and compliance risk. The GBES confirms this and extends the findings to multiple countries throughout the world. These findings provide another reminder of the value of ethical leadership and a call to action for leaders to promote workplace integrity.

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APPENDIX A: PRESSURE TO COMPROMISE STANDARDS

Country-by-Country Comparison of Rates of Pressure to Compromise Standards for Weaker vs. Stronger Top Management Commitment to Workplace Integrity

PRESSURE TO COMPROMISE STANDARDS	Weaker top management commitment to workplace integrity	Stronger top management commitment to workplace integrity
Brazil	53%	39%
China	29%	13%
France	36%	19%
Germany	28%	15%
India	50%	26%
Italy	28%	16%
Japan	20%	8%
Mexico	19%	6%
Russia	37%	24%
South Korea	25%	12%
Spain	12%	6%
United Kingdom	30%	8%
United States	32%	11%

APPENDIX B: OBSERVED MISCONDUCT

Country-by-Country Comparison of Rates of Observed Misconduct for Weaker vs. Stronger Top Management Commitment to Workplace Integrity

OBSERVED MISCONDUCT	Weaker top management commitment to workplace integrity	Stronger top management commitment to workplace integrity
Brazil	52%	31%
China	44%	26%
France	40%	21%
Germany	33%	15%
India	49%	28%
Italy	40%	22%
Japan	18%	10%
Mexico	45%	20%
Russia	52%	27%
South Korea	31%	21%
Spain	25%	11%
United Kingdom	37%	14%
United States	41%	18%

APPENDIX C: RETALIATION

Country-by-Country Comparison of Rates of Retaliation Against Reporters for Weaker vs. Stronger Top Management Commitment to Workplace Integrity

RETALIATION AGAINST REPORTERS	Weaker top management commitment to workplace integrity	Stronger top management commitment to workplace integrity
Brazil	45%	21%
China	45%	11%
France	42%	9%
Germany	50%	43%
India	78%	64%
Italy	39%	23%
Japan	33%	37%
Mexico	39%	18%
Russia	31%	41%
South Korea	39%	27%
Spain	43%	44%
United Kingdom	64%	59%
United States	63%	30%

APPENDIX D: RETENTION

Country-by-Country Comparison of Rates of Intent to Stay for Weaker vs. Stronger Top Management Commitment to Workplace Integrity

EMPLOYEE INTENT TO STAY	Weaker top management commitment to workplace integrity		Stronger top management commitment to workplace integrity	
	Less than 1 year	5 years or more/Until retirement	Less than 1 year	5 years or more/Until retirement
Brazil	84%	49%	16%	51%
China	66%	45%	34%	55%
France	88%	66%	12%	34%
Germany	95%	63%	5%	37%
India	75%	54%	25%	46%
Italy	87%	65%	13%	35%
Japan	74%	62%	26%	38%
Mexico	81%	43%	19%	57%
Russia	88%	66%	12%	34%
South Korea	88%	77%	12%	23%
Spain	93%	74%	7%	26%
United Kingdom	86%	60%	14%	40%
United States	84%	46%	16%	54%

APPENDIX E: REPORTING OF OBSERVED MISCONDUCT

Country-by-Country Comparison of Rates of Reporting of Observed Misconduct Weaker vs. Stronger Supervisor Commitment to Workplace Integrity

REPORTING OF MISCONDUCT WHEN OBSERVED	Weaker supervisor commitment to workplace integrity	Stronger supervisor commitment to workplace integrity
Brazil	49%	79%
China	25%	72%
France	45%	73%
Germany	42%	65%
India	72%	86%
Italy	51%	78%
Japan	43%	85%
Mexico	51%	74%
Russia	24%	62%
South Korea	28%	79%
Spain	35%	60%
United Kingdom	55%	87%
United States	61%	84%

APPENDIX F: EMPLOYEE LEVEL AND BELIEFS ABOUT TOP MANAGEMENT

Country-by-Country Management-Level Comparison of Employee Beliefs About Strength of Top Management's Commitment to Workplace Integrity

BELIEVE TOP MANAGEMENT DISPLAYS ETHICAL LEADERSHIP	Not a member of management	First-line direct supervisor	Middle management	Top management
Brazil	38%	40%	46%	42%
China	48%	51%	54%	49%
France	24%	37%	32%	54%
Germany	28%	27%	30%	31%
India	38%	42%	37%	44%
Italy	27%	29%	45%	42%
Japan	31%	24%	30%	60%
Mexico	43%	38%	55%	62%
Russia	22%	25%	36%	47%
South Korea	17%	28%	20%	35%
Spain	21%	23%	26%	41%
United Kingdom	30%	30%	32%	28%
United States	45%	38%	45%	43%

APPENDIX G: EMPLOYEE LEVEL OF BELIEFS ABOUT SUPERVISORS

Country-by-Country Management-Level Comparison of Employee Beliefs About Strength of Their Supervisor's Commitment to Workplace Integrity

BELIEVE SUPERVISOR DISPLAYS ETHICAL LEADERSHIP	Not a member of management	First-line direct supervisor	Middle management	Top management
Brazil	47%	52%	66%	78%
China	43%	53%	68%	76%
France	26%	46%	35%	70%
Germany	41%	46%	44%	69%
India	50%	59%	72%	81%
Italy	30%	48%	47%	66%
Japan	35%	53%	48%	74%
Mexico	55%	63%	71%	87%
Russia	32%	33%	49%	72%
South Korea	17%	29%	32%	54%
Spain	43%	48%	61%	77%
United Kingdom	46%	58%	61%	93%
United States	61%	63%	67%	94%

APPENDIX H: EMPLOYEE LEVEL OF AWARENESS AND E&C RESOURCES

Country-by-Country Management-Level Comparison of Employee Awareness of E&C Program Resources

AWARENESS OF ALL E&C PROGRAM ELEMENTS*	Not a member of management	First-line direct supervisor	Middle management	Top management
Brazil	28%	31%	40%	52%
China	23%	30%	42%	54%
France	13%	20%	24%	29%
Germany	9%	14%	21%	24%
India	29%	44%	46%	44%
Italy	21%	31%	38%	50%
Japan	21%	36%	39%	32%
Mexico	31%	39%	39%	57%
Russia	11%	15%	27%	27%
South Korea	18%	23%	32%	31%
Spain	28%	36%	29%	52%
United Kingdom	29%	35%	41%	54%
United States	35%	52%	39%	53%

*Comprehensive E&C programs include six key program elements⁸: written standards of ethical workplace conduct; training on the standards; organizational resources that provide advice about ethics issues; a means to report violations confidentially or anonymously; performance evaluations of ethical conduct; and systems to discipline violators.

8. ECI measures these six elements, which are outlined in Chapter Eight of the Federal Sentencing Guidelines Manual.

APPENDIX I: EMPLOYEE LEVEL AND BELIEFS ABOUT E&C PROGRAM EFFECTIVENESS

Country-by Country Management-Level Comparison of Employee Beliefs About Effectiveness of Organization's E&C Program

DO NOT AGREE WITH ANY E&C PROGRAM EFFECTIVENESS MEASURES*	Not a member of management	First-line direct supervisor	Middle management	Top management
Brazil	4%	3%	1%	2%
China	23%	11%	6%	1%
France	22%	11%	13%	7%
Germany	18%	11%	7%	5%
India	8%	0%	1%	0%
Italy	11%	4%	1%	0%
Japan	24%	14%	6%	4%
Mexico	3%	1%	0%	0%
Russia	16%	7%	8%	1%
South Korea	22%	9%	8%	6%
Spain	10%	7%	2%	3%
United Kingdom	14%	7%	4%	2%
United States	8%	8%	3%	1%

*ECI measures six hallmarks of an organization with an effective ethics and compliance program: freedom to question management without fear; rewards for following ethics standards; not rewarding questionable practices, even if they produce good results for the organization; positive feedback for ethical conduct; employee preparedness to address misconduct; and employees' willingness to seek ethics advice.

APPENDIX J: PERCEPTIONS OF ETHICAL LEADERSHIP

Country-by-Country Comparison of Employee Perceptions of Top Management's Ethical Leadership Behaviors

	Top Management TALKS About the Importance of Workplace Integrity	Top Management Sets a Good EXAMPLE of Workplace Integrity	Top Management Does NOT BLAME OTHERS When Things Go Wrong
Brazil	84%	75%	32%
China	84%	91%	40%
France	56%	55%	35%
Germany	58%	52%	37%
India	89%	88%	26%
Italy	70%	55%	30%
Japan	70%	62%	36%
Mexico	83%	79%	39%
Russia	70%	55%	26%
South Korea	62%	50%	25%
Spain	58%	49%	23%
United Kingdom	69%	68%	29%
United States	76%	77%	42%

APPENDIX K: ETHICAL LEADERSHIP DURING CRISIS

Country-by-Country Comparison of Whether Employees Believe Top Management Blames Others When Things Go Wrong

	EMPLOYEES' PERCEPTIONS: TOP MANAGEMENT BLAMES OTHERS WHEN THINGS GO WRONG.		
	Agree	Neither agree nor disagree	Disagree
Brazil	43%	25%	32%
China	32%	28%	40%
France	35%	31%	35%
Germany	37%	26%	37%
India	50%	25%	26%
Italy	37%	33%	30%
Japan	29%	35%	36%
Mexico	38%	24%	39%
Russia	47%	27%	26%
South Korea	41%	35%	25%
Spain	48%	28%	23%
United Kingdom	47%	24%	29%
United States	37%	21%	42%

METHODOLOGY

Data collection for the Global Business Ethics Survey™ (GBES™) was performed through online panels.

Data collection took place from November 30 – December 31, 2015. Surveys were conducted in the native language of each of the 13 countries selected by ECI for surveying. Countries surveyed include Brazil, China, France, Germany, India, Italy, Japan, Mexico, Russia, South Korea, Spain, the United Kingdom and the United States.

Participants in the GBES were 18 years of age or older, currently employed at least 20 hours per week and working for an organization that employs at least two people. Respondents from the private, public and not-for-profit sector were included. A total of 1,000 responses were collected in each country (except the United States, for which 1,046 responses were collected), for a grand total of 13,046 responses in the GBES data set.

A cap was placed on each country's data collection based on a respondent's organization size. No more than 500 responses per country were accepted from respondents who worked in organizations with fewer than 1,000 employees, allowing for a range of organization sizes to be represented within the data.

Data were weighted for analysis by age and gender to best approximate the demographics of the employed population⁹ within each country. The margin of error for each country's data is +/- 3.1 percent at the 95 percent confidence level.

Differences exist between the GBES and prior NBES methodologies, thus comparisons between data cannot be made.

In this report, medians rather than averages are used to represent a single “global number” for the GBES. A median value represents the point at which half the values of a given set are higher and half the values are lower; medians are more resistant to the impact of outliers in a set of values than averages. Given wide variation between GBES countries on a number of metrics and the limited number of countries selected which reflect only a portion of a truly “global” workforce snapshot, medians were selected for use in analysis as the way to best represent the overall picture of the data collected.

For more information about methodology, please email ECI's Research Team at research@ethics.org.

9. The United States Bureau of Labor Statistics defines a person as employed “if they did any work at all for pay or profit during the survey reference week. This includes all part-time and temporary work, as well as regular full-time, year-round employment.” http://www.bls.gov/cps/cps_htgm.htm#concepts. For more information about sources of demographic data, please email research@ethics.org.

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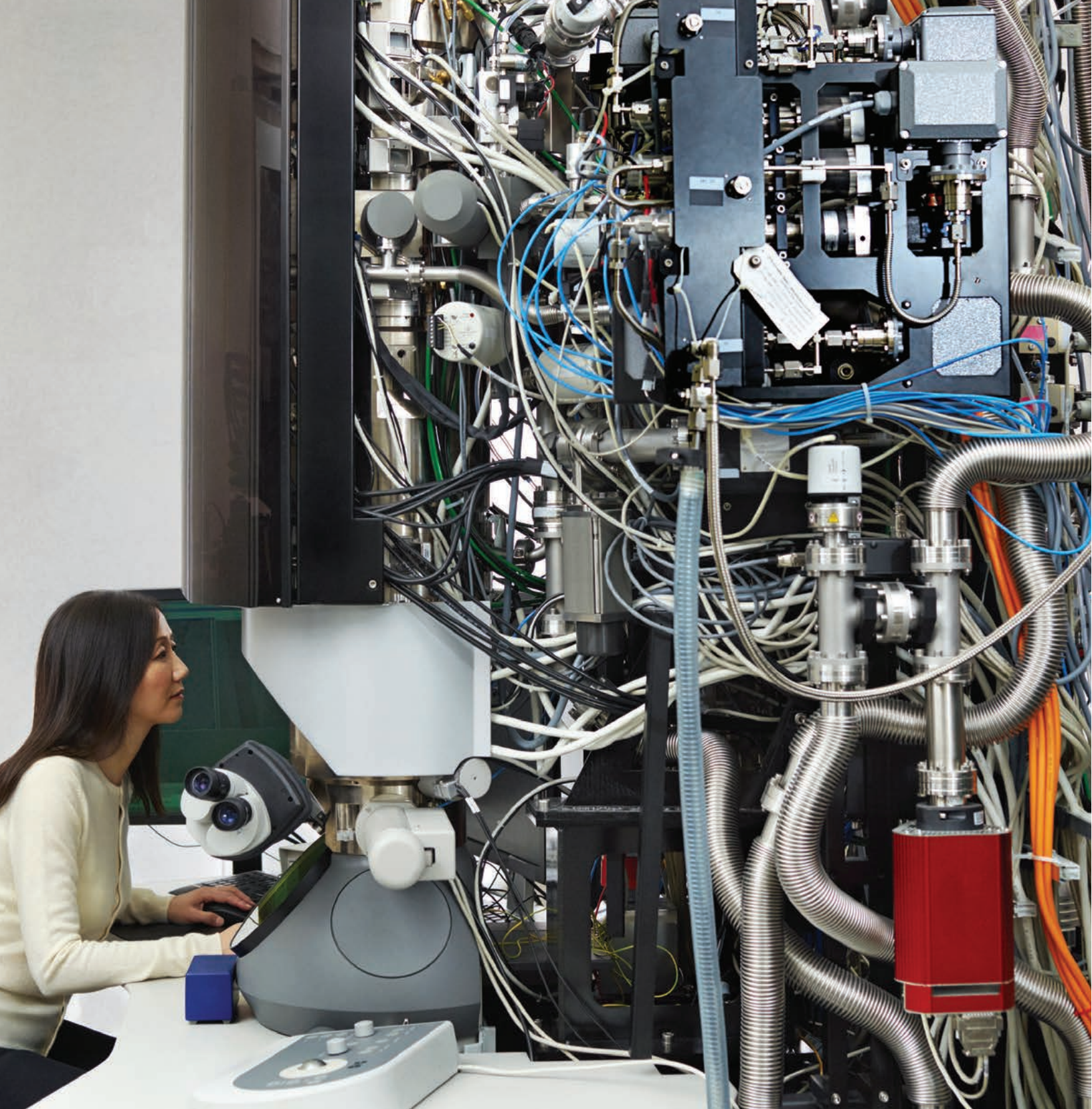
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