The Link Between Supervisor Leadership and Workplace Behaviors: A Global Look

2019 GLOBAL BUSINESS ETHICS SURVEY

GLOBAL BUSINESS
ETHICS SURVEY®

ECI ethics &
compliance
initiative™

Table of Contents

About this Report

In 2019, ECI expanded upon its existing Global Business Ethics Survey® (GBES®) research in organizational culture through several new lines of inquiry.

Supervisor Behavior Around the Globe

ECI examined and measured supervisor behavior across two dimensions:

1. **Supervisor Values Employees:** The extent to which employees feel valued by their supervisor.

2. **Supervisor Feedback and Professional Development:** The extent to which employees feel that supervisors provide valuable feedback and encourage professional development.

Workplace Behaviors Around the Globe

ECI explored employee expectations related to behaviors they may see or experience in the workplace—specifically with regard to the reporting of misconduct and accountability. Employees were also asked whether or not two behaviors—"publicly reprimanding"[1] and "gender discrimination"[2]—would be acceptable within their organizations.

The findings in this report reinforce the critical role that supervisors play in influencing the ethics cultures within organizations. In almost all cases, strong supervisor leadership was associated with better ethics outcomes. Employees who worked with supervisors who exhibited strong leadership qualities across the two dimensions explored in this report were:

1. **More likely to trust their organization** with regard to the reporting of misconduct and accountability.

2. **Less likely to say that** publicly reprimanding and gender discrimination were acceptable behaviors within their organization.

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[1] To measure "publicly reprimanding," ECI asked the following question: "Employee A regularly criticizes employees who make mistakes and publicly berates them when they are struggling. How acceptable would such behavior be in your organization?"

[2] To measure "gender discrimination," ECI asked the following question: Employee A says that when she makes a suggestion in a meeting, her ideas are ignored. She says her female colleagues have noticed that the same thing happens to them. It doesn't seem to happen when men give input. How acceptable would such behavior be in your organization?
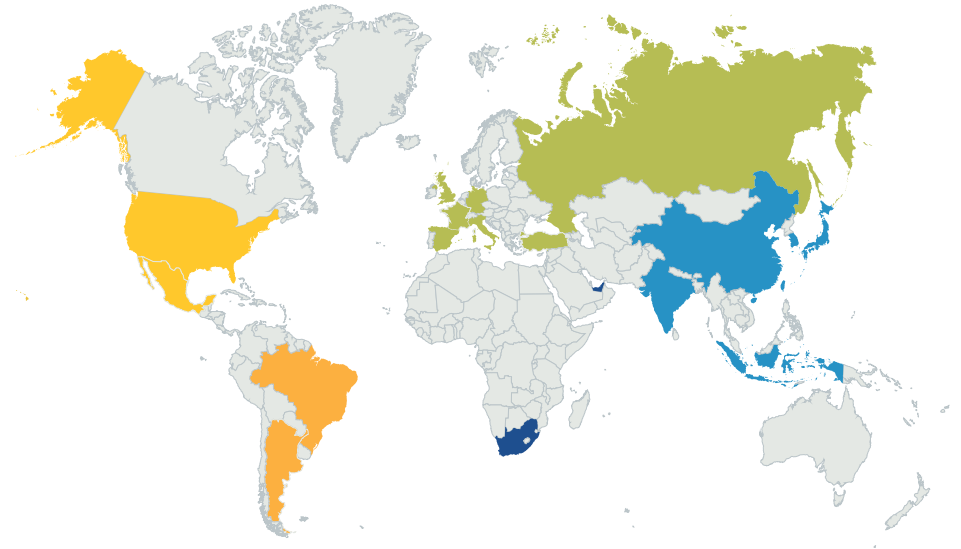
The findings in this report are based on employee responses from 18 countries. Global percentages consist of the median from all 18 countries. The results are provided by five global regions, composed of the following countries:

Africa & Middle East: South Africa, United Arab Emirates
Asia Pacific: China, India, Indonesia, Japan, South Korea
Europe: France, Germany, Italy, Russia, Spain, Turkey, United Kingdom
North America: United States, Mexico
South America: Argentina, Brazil

Note: Unless otherwise specified, the percentages in this report consist of the average of all employee responses within each region. Global percentages consist of the median from all 18 countries. See the Methodology and About GBES sections for more information.

Supervisor Behavior Around the Globe

Supervisors play a critical role in determining the strength of the ethics cultures in which they work. In many organizations, supervisors are the only people in leadership positions that employees interact with on a daily basis. As a result, their behavior serves as a proxy for the values and priorities of senior leadership and the organization, as a whole. In this report, ECI explored supervisor behavior along two different dimensions.
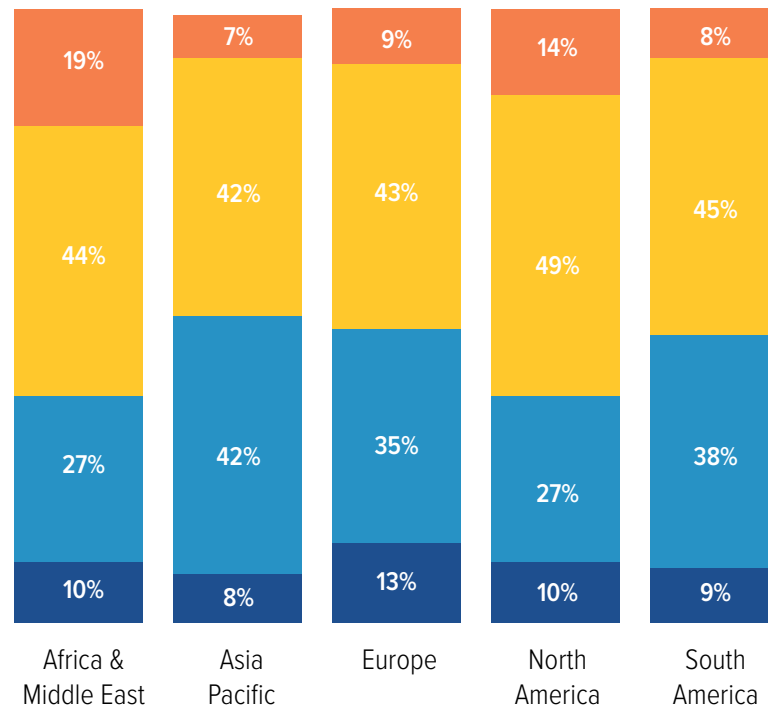
Supervisor Values Employees Dimension

The first dimension of supervisor behavior measured in this report—Supervisor Values Employees—centers around the collaboration between supervisors and those in their work unit. Furthermore, it measures whether or not supervisors truly engage with their employees. This dimension assesses supervisor behaviors through weak, weak-leaning, strong-leaning, and strong leadership.

Supervisor Values Employees Dimension Questions from GBES:

- When talking with my direct supervisor, I feel that my supervisor values what I am saying.

- My direct supervisor asks me for my opinion about work-related issues.

- My direct supervisor demonstrates respect for my opinion, even when he/she disagrees with it.

- My direct supervisor collaborates with his/her team.

- My direct supervisor empowers employees to make work-related decisions on their own.

Among the five global regions, one-third to one-half of employees do not feel valued by their direct supervisor.

The Supervisor Feedback and Professional Development dimension was created by using five (5) questions from the 2019 Global Business Ethics Survey (see left for dimension questions). Employee responses across all five questions are averaged and categorized as follows:

■ STRONG LEADERSHIP
Strongly agree on most/all 5 items

■ STRONG-LEANING LEADERSHIP
Agree on most/all 5 items

■ WEAK-LEANING LEADERSHIP
Neutral on most/all 5 items

■ WEAK LEADERSHIP
Strongly disagree and disagree on most/all 5 items

Globally, across all regions, **between one-third and one-half of employees** indicated that they do not feel valued by their direct supervisor.

Specifically, **Asia Pacific** showed the highest percentage of employees stating that their direct supervisors do not value nor engage with their employees (50% of employees indicated weak or weak-leaning leadership).

In contrast, **37% of employees in Africa and the Middle East and North America** (lowest percentage across regions) indicated that their supervisors exhibit weak or weak-leaning leadership behaviors.
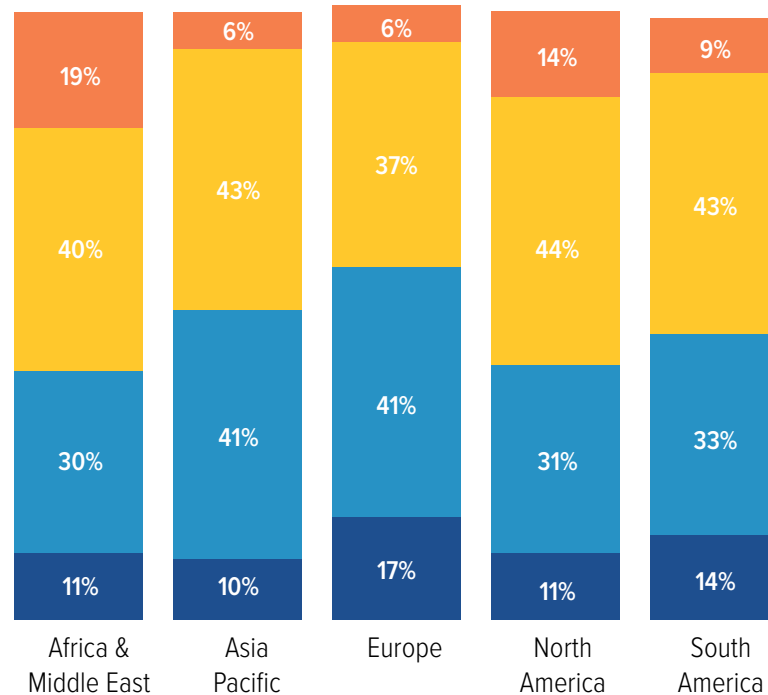
Supervisor Feedback and Professional Development Dimension

The second dimension of supervisor behavior measured in this study—Supervisor Feedback and Professional Development—centers around the capacity of supervisors to provide valuable feedback and facilitate the professional growth of their employees. Measured in this dimension is the extent to which supervisors provide useful and timely feedback to those within their work unit and whether or not supervisors encourage their employees to continue to grow professionally. Supervisor behaviors are assessed through weak, weak-leaning, strong-leaning, and strong leadership.

Supervisor Feedback and Professional Development Dimension Questions from GBES:

- My direct supervisor provides me with clear expectations about my work.

- When I need feedback (suggestions on how to improve, general comments) about my work, my direct supervisor provides it in a timely manner.

- My direct supervisor gives me useful feedback (suggestions on how to improve, general comments) about my work.

- My direct supervisor frames mistakes as opportunities to learn and grow.

- My direct supervisor cares about my personal strengths and potential.

Among the five global regions, near to over one-half of employees do not feel their direct supervisor provides valuable feedback nor do they encourage professional development.

The Supervisor Feedback and Professional Development dimension was created by using five (5) questions from the 2019 Global Business Ethics Survey (see left for dimension questions). Employee responses across all five questions are averaged and categorized as follows:

■ **STRONG LEADERSHIP**
Strongly agree on most/all 5 items

■ **STRONG-LEANING LEADERSHIP**
Agree on most/all 5 items

■ **WEAK-LEANING LEADERSHIP**
Neutral on most/all 5 items

■ **WEAK LEADERSHIP**
Strongly disagree and disagree on most/all 5 items

Globally, all regions had **near or above 50% of employees agreeing** that their supervisors do not provide feedback nor encourage professional development.

Specifically, **Europe** had the highest percentage of employees affirming that their supervisors do not provide feedback nor encourage professional development (58% of employees indicated weak or weak leaning leadership).

In contrast, 41% of employees in **Africa and the Middle East** said that their supervisors do not provide feedback nor encourage professional development.

Workplace Behaviors Around the Globe

In addition to the supervisor behavior dimensions, ECI examined the strength of ethics cultures around the world by asking a series of questions about employee behavior. These questions were developed based on ECI's existing research on high-quality ethics & compliance programs (HQPs), with a focus on reporting misconduct, accountability and building cultures of integrity. Generally, higher quality ethics & compliance programs have stronger ethics cultures.
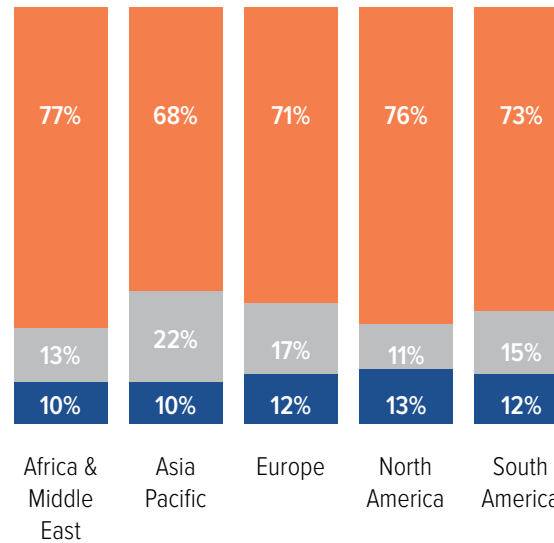
Reporting and Accountability Behaviors

With regard to reporting misconduct and accountability, ECI's research has found that a key element of effective ethics & compliance programs is the extent to which organizations encourage, protect and value the reporting of concerns and suspected wrongdoing.[3] Therefore, it is critical that senior leaders and supervisors (graph 1) reinforce the notion that employees (graph 2) are expected to report misconduct, and that the organization will investigate those who commit misconduct (graph 3). The data indicated that across all global regions, a majority of employees trust that their organization will respond to reported misconduct (graph 4).

■ **DISAGREE** ■ **NEITHER AGREE NOR DISAGREE** ■ **AGREE**

Graph 1 (left):

	Africa & Middle East	Asia Pacific	Europe	North America	South America
AGREE	77%	68%	71%	76%	73%
NEITHER	13%	22%	17%	11%	15%
DISAGREE	10%	10%	12%	13%	12%

Graph 2 (right):

	Africa & Middle East	Asia Pacific	Europe	North America	South America
AGREE	66%	62%	60%	64%	63%
NEITHER	20%	27%	25%	18%	22%
DISAGREE	14%	11%	15%	18%	15%

1.

"It would surprise me if my direct supervisor observed misconduct and did not address or report it."

A higher percentage of employees in Africa and the Middle East, compared with other global regions, agreed (agree/strongly agree) with this statement and indicated that they would be surprised if their direct supervisor observed misconduct and did not address or report it. Asia Pacific had the lowest percentage of employees who agreed, when comparing global regions.
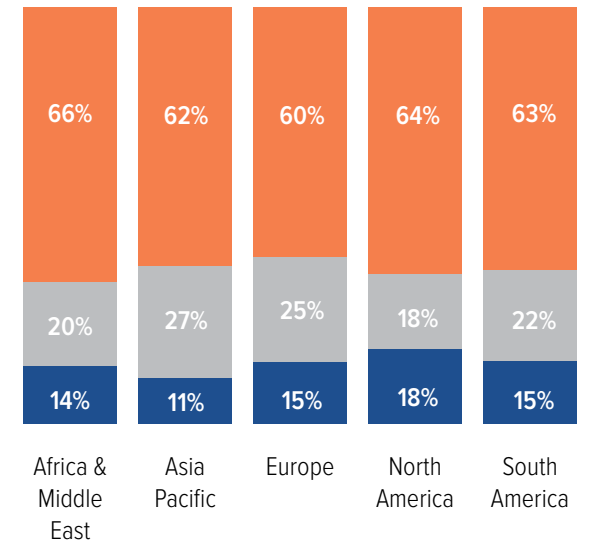
2.

"It would surprise me if my coworkers observed misconduct and did not address or report it."

Employees in Africa and the Middle East had the highest percentage of agreement (agree/strongly agree), compared with other global regions, and indicated that they would be surprised if coworkers observed misconduct and did not address or report it. Europe had the lowest percentage of employees who agreed, when comparing global regions.

[3] Blue Ribbon Panel Report: Principles and Practices of High-Quality Ethics & Compliance Programs (Ethics & Compliance Initiative, 2016).

Due to rounding, percentages may not add to 100%

Reporting and Accountability Behaviors

Globally, across all regions, **60% or more of employees** agreed (agree/strongly agree) that their direct supervisor would report observed misconduct, colleagues would report observed misconduct, their organizations would investigate, and if substantiated, their organizations would provide discipline action in response to the misconduct. The general pattern for three of the four statements employees in Africa and the Middle East had the highest levels of agreement while Europe had lower levels comparatively. It should be noted that in higher quality ethics & compliance programs even greater proportions of employees agreeing with these statements would be expected.

	Africa & Middle East	Asia Pacific	Europe	North America	South America
AGREE	73%	66%	64%	71%	68%
NEITHER	14%	23%	22%	15%	17%
DISAGREE	13%	11%	14%	14%	14%

	Africa & Middle East	Asia Pacific	Europe	North America	South America
AGREE	74%	69%	65%	73%	72%
NEITHER	15%	21%	22%	14%	15%
DISAGREE	12%	10%	13%	13%	14%

3.

"It would surprise me if reported misconduct occurred at my organization and it was not investigated."
A higher percentages of employees in Africa and the Middle East, compared with other global regions, agreed (agree/ strongly agree) with this statement and indicated that they would be surprised if misconduct was reported and not investigated. Europe had the lowest percentage of employees who agreed, when comparing global regions.

4.

"It would surprise me if my organization did not provide disciplinary action in response to misconduct that was investigated and substantiated."
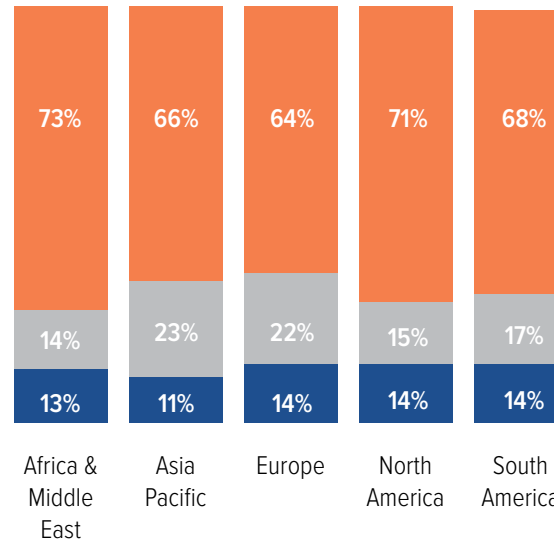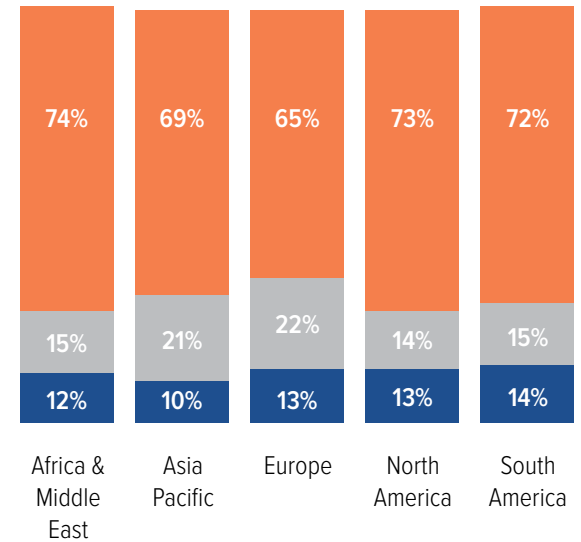Employees in Africa and the Middle East had the highest percentage of agreement (agree/strongly agree) with this statement, compared with other global regions, and indicated that they would be surprised if disciplinary action was not provided in response to misconduct that was investigated and substantiated. Europe had the lowest percentage of employees who agreed, when comparing global regions.
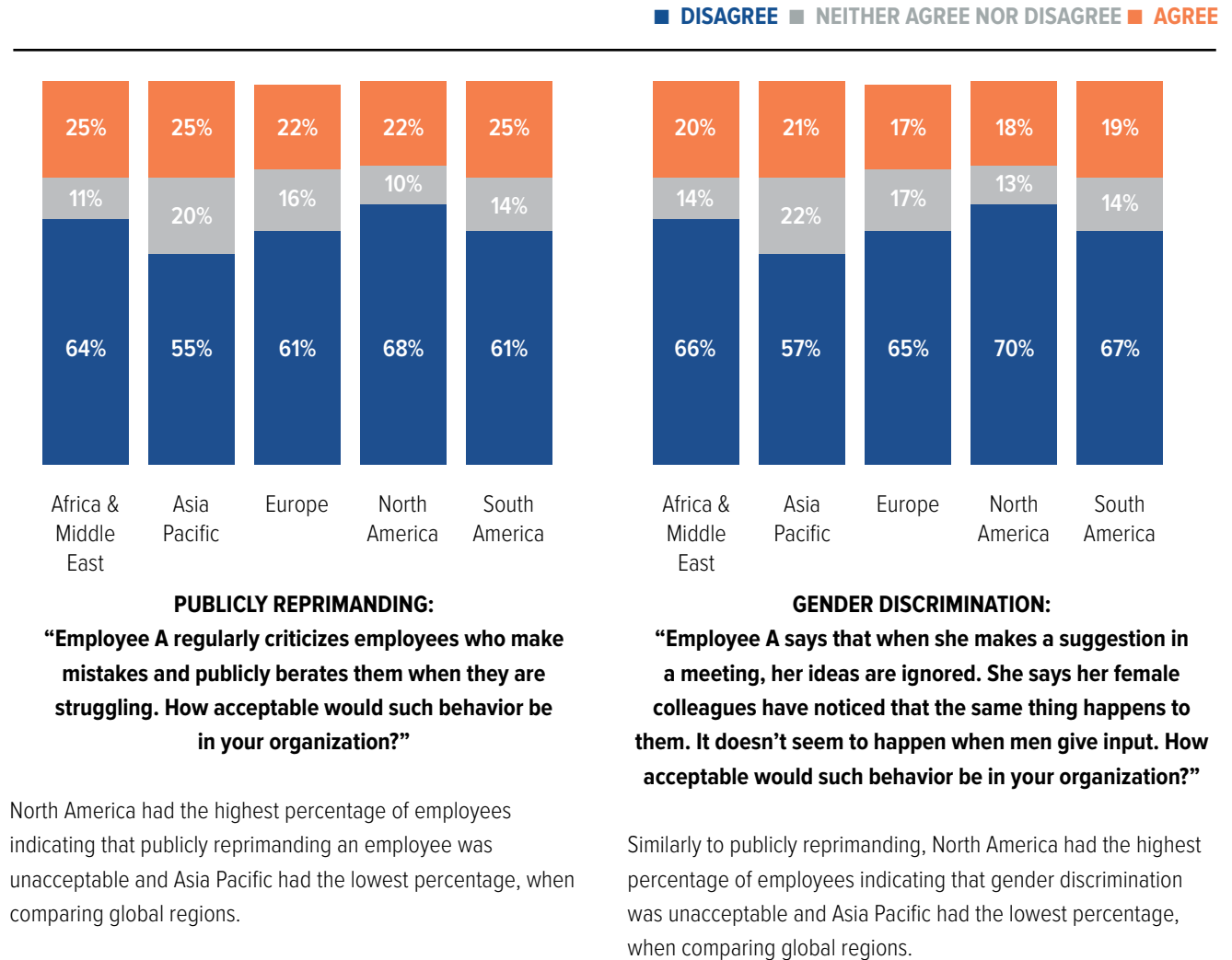
Due to rounding, percentages may not add to 100%

Acceptability of Select Workplace Behaviors

In addition to expectations surrounding accountability and reporting, HQPs can only exist if leaders continuously build and sustain cultures of integrity.[4] Therefore, central to any successful culture-building effort is the ability of leaders, at all levels, to establish which behaviors are not acceptable within their organization. In order to measure culture-building, ECI asked respondents whether or not two behaviors—publicly reprimanding and gender discrimination—would be acceptable within their organizations. The data reveal that in a majority of cases, leaders appear to be effectively communicating to their employees that these two behaviors would not be acceptable within their organization.

Across all global regions, **two-thirds of employees** stated that publicly reprimanding and gender discrimination, on the part of supervisors, would be unacceptable.

PUBLICLY REPRIMANDING:

	Africa & Middle East	Asia Pacific	Europe	North America	South America
Agree	25%	25%	22%	22%	25%
Neither	11%	20%	16%	10%	14%
Disagree	64%	55%	61%	68%	61%

PUBLICLY REPRIMANDING:
"Employee A regularly criticizes employees who make mistakes and publicly berates them when they are struggling. How acceptable would such behavior be in your organization?"

North America had the highest percentage of employees indicating that publicly reprimanding an employee was unacceptable and Asia Pacific had the lowest percentage, when comparing global regions.

GENDER DISCRIMINATION:

	Africa & Middle East	Asia Pacific	Europe	North America	South America
Agree	20%	21%	17%	18%	19%
Neither	14%	22%	17%	13%	14%
Disagree	66%	57%	65%	70%	67%

GENDER DISCRIMINATION:
"Employee A says that when she makes a suggestion in a meeting, her ideas are ignored. She says her female colleagues have noticed that the same thing happens to them. It doesn't seem to happen when men give input. How acceptable would such behavior be in your organization?"

Similarly to publicly reprimanding, North America had the highest percentage of employees indicating that gender discrimination was unacceptable and Asia Pacific had the lowest percentage, when comparing global regions.

[4] *Blue Ribbon Panel Report: Principles and Practices of High-Quality Ethics & Compliance Programs (Ethics & Compliance Initiative, 2016).*

Due to rounding, percentages may not add to 100%

The Link Between Supervisor Leadership and Workplace Behaviors

Overall, the findings from this report reveal a mixed picture about the state of ethics cultures around the world. The data reveal that a majority of employees do have trust in the systems of reporting and accountability at their organizations, and that a majority view two select behaviors examined (publicly reprimanding and gender discrimination) as unacceptable in the workplace. However, some employees continue to be distrustful of the systems of reporting and accountability within their organization, and approximately one-quarter of employees believe that publicly reprimanding would be considered acceptable in their place of work with slightly fewer indicating that gender discrimination would be acceptable. Certainly, there are a wide array of reasons for the different perspectives represented in this data. Employee perspectives may be influenced by national culture, tenure, job level, gender and age, among other factors.

However, ECI found that supervisor behavior in terms of weak, weak-leaning, strong-leaning and strong leadership was a factor that had a particularly strong association with favorable ethics outcomes. Moreover, this association was consistent across almost all global regions (the exception is Asia Pacific).
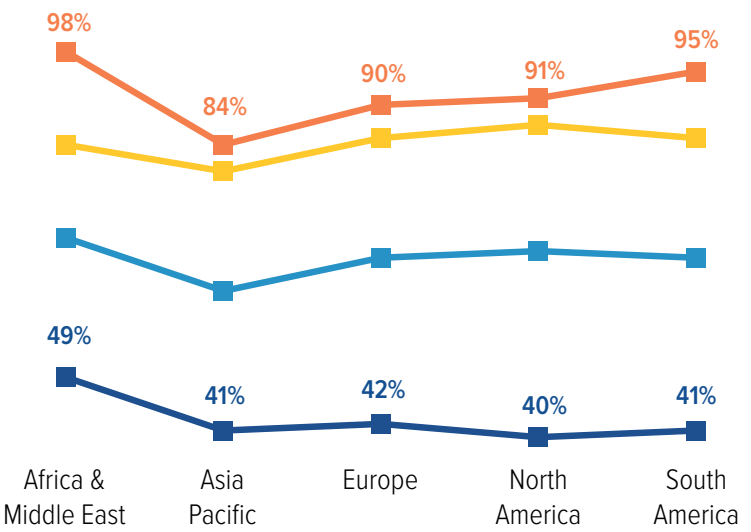
Supervisor Values Employees Dimension + Supervisor Feedback and Professional Development Dimension = SUPERVISOR LEADERSHIP DIMENSION

1

Supervisor Leadership Dimension and Reporting and Accountability Behaviors

Across all five regions, employees working for supervisors with strong leadership demonstrated more trust in reporting and accountability within their workplace.

Employees who perceived strong leadership were ~2X more likely...

- To be surprised if misconduct was observed by their direct supervisor and not reported, when compared to supervisors with weak leadership.

- To be surprised if misconduct was observed by coworkers and not reported, when compared to supervisors with weak leadership.
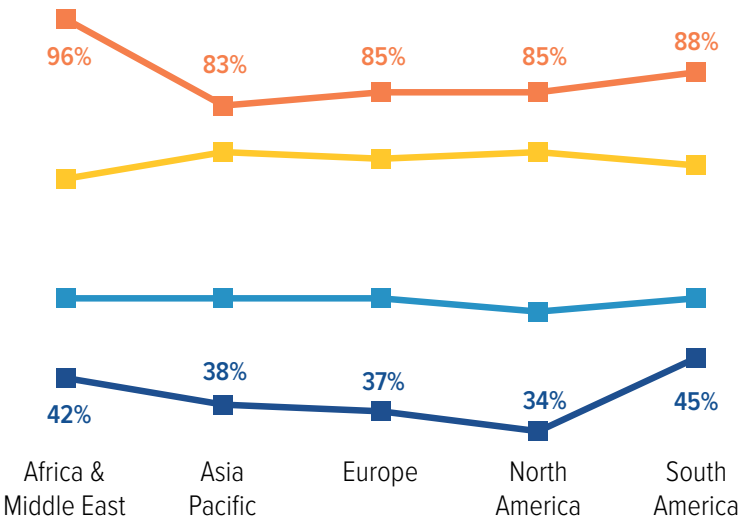
As supervisor leadership strength improves, employees are more surprised if their direct supervisor observed misconduct and did not address or report it.

98%   84%   90%   91%   95%

49%   41%   42%   40%   41%

Africa & Middle East | Asia Pacific | Europe | North America | South America

As supervisor leadership strength improves, employees are more surprised if their coworkers observed misconduct and did not address or report it.

96%   83%   85%   85%   88%

42%   38%   37%   34%   45%

Africa & Middle East | Asia Pacific | Europe | North America | South America

In order to assess this relationship, ECI combined the Supervisor Values Employees and Supervisor Feedback and Professional Development dimensions into a comprehensive Supervisor Leadership Dimension. This combined leadership dimension utilized 10 questions (five from each dimension) to focus on the collective leadership styles of direct supervisors as viewed by their employees. Each employee's responses across all 10 questions are averaged and categorized as follows:

■ **STRONG LEADERSHIP**
Strongly agree on most/all 10 items

■ **STRONG-LEANING LEADERSHIP**
Agree on most/all 10 items

■ **WEAK-LEANING LEADERSHIP**
Neutral on most/all 10 items

■ **WEAK LEADERSHIP**
Strongly disagree and disagree on most/all 10 items

Percentages shown are for those responding in agreement 'agree or strongly agree' within each global region. Percentages will not total 100%.
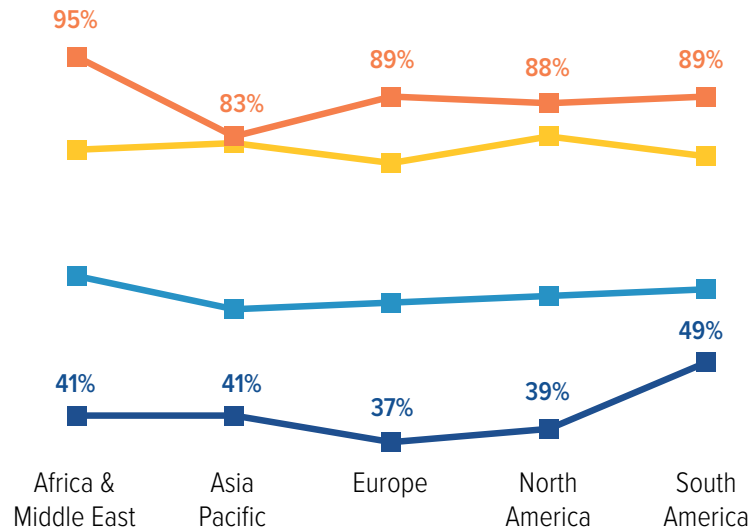
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1

Supervisor Leadership Dimension and Reporting and Accountability Behaviors

Employees who perceived strong leadership were ~2X more likely...

- To be surprised if misconduct was reported and not investigated, when compared to supervisors with weak leadership.

- To be surprised if disciplinary action was not provided to misconduct that was investigated and substantiated, when compared to supervisors with weak leadership.

As supervisor leadership strength improves, employees are more surprised if misconduct was reported and not investigated.

95% 83% 89% 88% 89%

49%

41% 41% 37% 39%

Africa & Middle East | Asia Pacific | Europe | North America | South America

As supervisor leadership strength improves, employees are more surprised if their organization did not provide disciplinary action in response to misconduct that was investigated and substantiated.

97% 82% 88% 90% 91%

45% 42% 41% 42% 45%

Africa & Middle East | Asia Pacific | Europe | North America | South America

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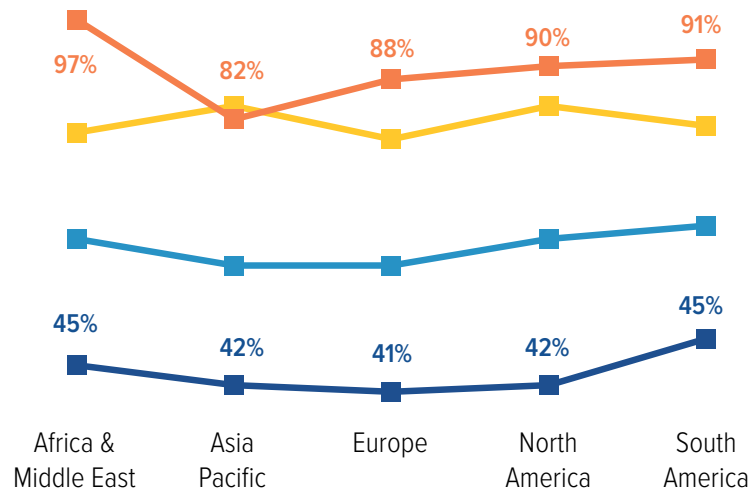
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Agree on most/all 10 items

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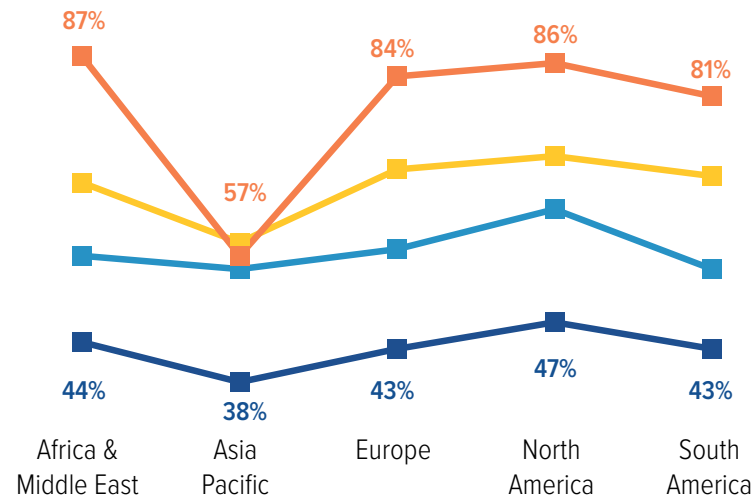
Supervisor Leadership and Acceptability of Select Workplace Behaviors

In addition to increased trust in the culture of accountability and reporting, results indicate that there is a link between the strength of supervisor leadership and the likelihood that the select workplace behaviors examined—publicly reprimanding and gender discrimination—would be acceptable within organizations.

Across four of the five regions, employees working for supervisors with strong leadership were more likely...

- To say that publicly reprimanding was not acceptable, when compared to supervisors with weak leadership.

- To say that gender discrimination was not acceptable, when compared to supervisors with weak leadership.

As supervisor leadership strength improves, employees are more likely to say that publicly reprimanding employees is not acceptable in their organization

As supervisor leadership strength improves, employees are more likely to say that gender discrimination is not acceptable in their organization

In order to assess this relationship, ECI combined the Supervisor Values Employees and Supervisor Feedback and Professional Development dimensions into a comprehensive Supervisor Leadership Dimension. This combined leadership dimension utilized 10 questions (five from each dimension) to focus on the collective leadership styles of direct supervisors as viewed by their employees. Each employee's responses across all 10 questions are averaged and categorized as follows:
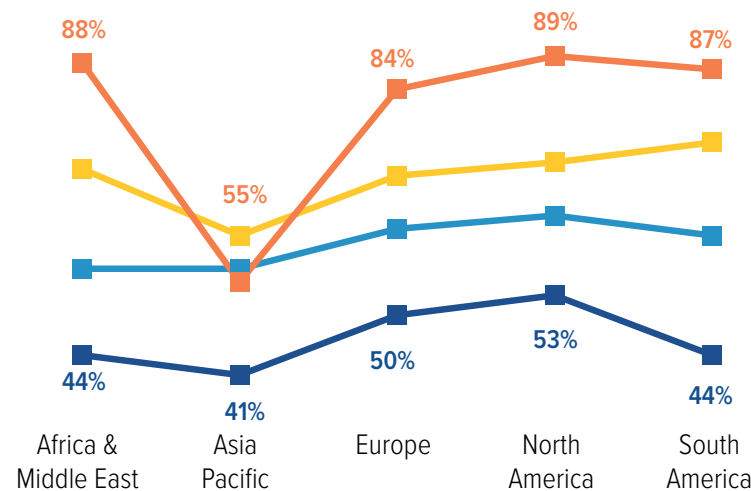
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Strongly agree on most/all 10 items

■ **STRONG-LEANING LEADERSHIP**
Agree on most/all 10 items

■ **WEAK-LEANING LEADERSHIP**
Neutral on most/all 10 items

■ **WEAK LEADERSHIP**
Strongly disagree and disagree on most/all 10 items

Percentages shown are for those responding in agreement 'agree or strongly agree' within each global region. Percentages will not total 100%.

Conclusion

When an organization is building a stronger ethics culture, leadership is paramount to all efforts. The findings discussed in this report show that as direct supervisors demonstrate improved leadership behaviors, employee perceptions related to "trusting the system," also increase.

Strong Leadership Behaviors

Employees in all five global regions indicated that when direct supervisors are perceived to have strong leadership behaviors, employees' belief in the **reporting of misconduct and holding those who break the rules accountable are approximately two times greater,** when compared with supervisors perceived to have weak leadership behaviors.

Value and empower employees

Demonstrate respect for employees

Offer employees useful and timely feedback

Provide clear expectations to employees

Encourage employee professional development

Inspire teamwork amongst employees

Collaborate with employees

In addition, when supervisors demonstrate strong leadership, employees are **more likely** to say that select behaviors (publicly reprimanding employees and gender discrimination) are not acceptable in their organizations. These findings underline that direct supervisors set the bar for their employees.

Tips to increase direct supervisor leadership:

- Provide timely feedback helping employees continually grow and achieve their professional goals.

- Foster honest and open communication, encouraging employees to share their ideas and suggestions within the organization.

- Be a role-model for the team by promoting and rewarding collaboration as well as respecting diverse ideas.

Tips to improve workplace behavior:

- Leaders and E&C partner to set the tone and provide guidance on appropriate workplace behavior.

- E&C sets the standards for how inappropriate workplace behavior is handled and provides consistent follow-up ensuring that all reports are investigated.

- The organization approaches wrongdoing in alignment with its core values in a timely and thorough manner focusing on lessons learned and prevention going forward.

Methodology

In May 2019, ECI continued its study of the global workforce and collected data from over 18,000 employees around the world. ECI established the survey questions and sampling methodology. A third-party vendor (Precision Sample) executed the global data collection.[5]

Demographic Profile of Respondents[2]

Organization Size (Number of employees)		Region	
2 to 5	6%	Africa & Middle East	10%
6 to under 25	13%	Asia Pacific	29%
25 to under 50	10%	Europe	39%
50 to under 100	12%	North America	11%
100 to under 500	20%	South America	11%
500 to under 1,000	12%		
1,000 to under 2,500	8%		
2,500 to under 5,000	7%		
5,000 to under 10,000	4%		
10,000 to under 20,000	2%		
20,000 to under 50,000	2%		
50,000 to under 90,000 or	2%		
90,000 or more	3%		

Due to rounding, percentages may not add to 100%

[5]   *The demographic profile is based on respondents from all 18 countries.*

Our Funders

We are grateful to the following companies whose generosity made this report possible. Corporations and foundations invest in ECI's work and value the impact of our research in which we analyze current and emerging issues, establish benchmarks, generate new approaches to industry challenges, and guide organizations' ethics and compliance efforts.

If you would like to join these distinguished companies to demonstrate to stakeholders, the enforcement community, and the public-at-large your company's commitment to integrity through support of our work, contact ECI at 571-480-4416 or holli@ethics.org.

About GBES

Since 1994, ECI has conducted a longitudinal, cross-sectional study of workplace conduct from the employee's perspective. Survey participants are asked to provide insight on a variety of topics including the strength of the ethics culture in their workplace, the instances of misconduct that they have observed, and what—if any—efforts are underway in their organization to promote integrity. The data from the Global Business Ethics Survey® (GBES®) provide the international benchmark on the state of ethics & compliance in business. The 2019 GBES, the 12th implementation of the GBES, surveyed over 18,000 employees in 18 countries (approximately 1,000 employees per country). Research content from the GBES are released through reports, infographics, interactive graphics, EthicsStats™ and other formats.

This report is the fourth of a four-part series regarding the 2019 GBES study.
Visit **ethics.org/GBES** to download previous 2019 GBES Research Reports:
• Global Differences in Employees' Views of E&C Program Maturity
• The Impact of Organizational Values and Ethical Leadership on Misconduct: A Global Look
• Workplace Misconduct and Reporting: A Global Look

For more information about GBES research and to access previous reports, please visit our website at **www.ethics.org/GBES**.
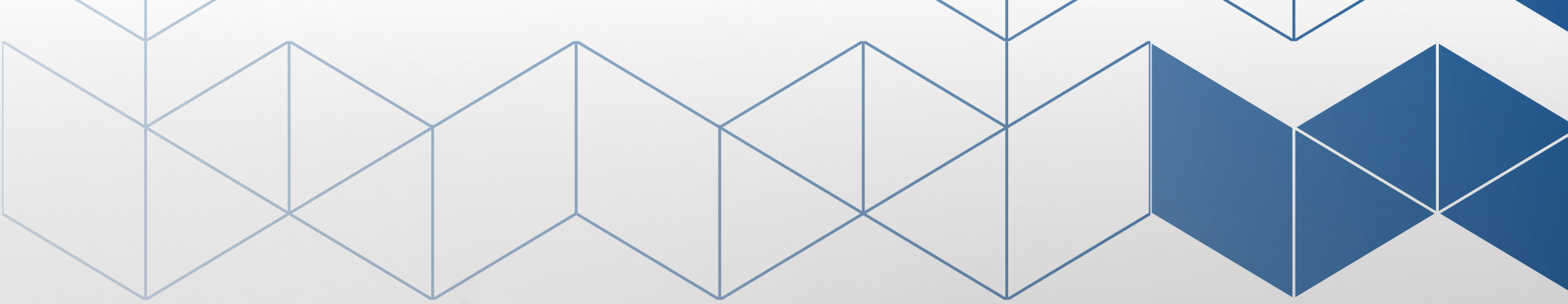
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Figure 4 Specific trade concerns raised in the TBT Committee

New concerns
Previous concerns