

**ETHISPHERE**<sup>®</sup>  
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2024 ETHICAL CULTURE REPORT

# Closing the *Speak Up* Gap



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# »» Introduction

At Ethisphere, we help clients build a legacy of ethical value that drives business success: setting measurable standards, creating a community of continuous improvement, and providing the tools and data that make it easy to implement, optimize, and measure programs that drive change. Improving the way business is done through integrity, transparency, and compliance guides everything we do.

Assessing and improving the speak-up culture in companies around the world is a foundational component of our mission. As ethics practitioners, measuring the perceptions of your employees on their comfort level in speaking up, perceptions of values, and whether leadership is setting the right example answers the question of whether your program is working.

But speak-up culture is so much more than a proactive deterrent to misconduct. It's a leading indicator of the strength of a business. Employees willing and able to raise their hands

when something appears to be amiss are also more comfortable surfacing new product ideas, identifying safety concerns in a plant environment, and investing in the mission of the organization overall.

For this reason, our 2024 report focuses on the speak-up gap: *why do employees feel empowered to report until put in a situation where reporting is needed?*

What follows is our annual view into key trends and insights from our leading dataset. These insights are gathered directly from over two million employees across hundreds of organizations in the post-COVID era. These data represent 24 industries and 121 countries, making it the largest dataset of its kind.

We invite you to delve into the data, reflect on these insights, and join us in our commitment to improving business integrity worldwide. Together, we can create workplaces where ethical behavior thrives and business success is driven by strong moral principles.

**Doug Allen**  
Vice President, Data Strategy  
Ethisphere



# »» Preface

## THE IMPORTANCE OF A SPEAK-UP CULTURE

In her 2022 memo, [\*“Further Revisions to Corporate Criminal Enforcement Policies Following Discussions with Corporate Crime Advisory Group”\*](#)

United States Assistant Attorney General Lisa O. Monaco stressed the importance of voluntary self-disclosure of misconduct. The “Monaco Memo” is perhaps the most direct call to date from the Department of Justice for businesses to embrace, protect, and advance robust speak-up cultures.

Developing a speak-up culture that encourages and supports reporting provides benefits beyond a reduction in misconduct: when empowered to raise their hand, employees are more willing to report safety concerns, share product ideas, and more.

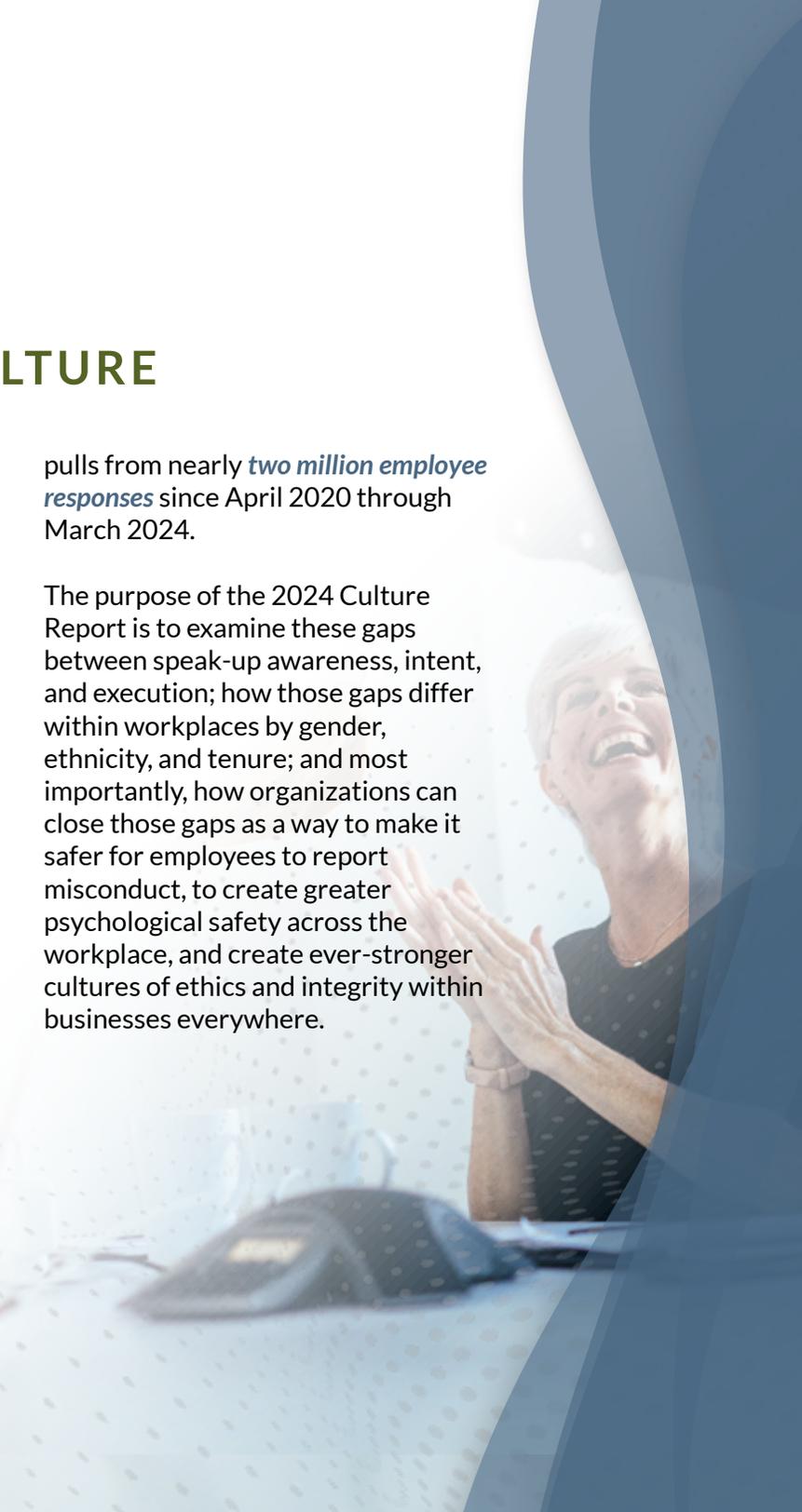
Organizations with mature ethics and compliance functions tend to make speak-up culture a central plank of their larger culture of integrity. And yet, no organization is perfect when it comes to speak-up culture.

- At every workplace, there are **employees who are not aware of the organization’s speak-up policies and procedures**, including anti-retaliation guardrails to protect those who raise their hand over perceived workplace misconduct.
- At every workplace, there are **employees who would not be willing to report misconduct if they were to witness it**—usually because they do not believe that the organization will take action against it, or that they will face career-damaging retaliation by colleagues and managers.
- And, at every workplace there are **employees who say they would report misconduct, but when they actually witness it, hesitate at the moment of truth**—again, typically out of a lack of confidence in the organization or fear of retaliation.

These truths are further reflected in data provided by the Ethisphere 2024 Culture Data Set, which for this report

pulls from nearly **two million employee responses** since April 2020 through March 2024.

The purpose of the 2024 Culture Report is to examine these gaps between speak-up awareness, intent, and execution; how those gaps differ within workplaces by gender, ethnicity, and tenure; and most importantly, how organizations can close those gaps as a way to make it safer for employees to report misconduct, to create greater psychological safety across the workplace, and create ever-stronger cultures of ethics and integrity within businesses everywhere.



# »» THE EIGHT PILLARS OF AN ETHICAL CULTURE

Ethisphere has identified eight foundational elements, or pillars, of an effective and sustainable ethical culture. They are:



## PILLAR ONE

### *Awareness of the E&C Program and Resources*

Do your employees understand the resources available to them?  
Can they find the code and applicable policies?



## PILLAR TWO

### *Perceptions of the E&C Function in Communicating, Training and Support*

Are ethics and compliance efforts reaching the intended audience?  
Do they see any of the assets that have been developed or are they languishing somewhere on an intranet?



## PILLAR THREE

### *Observing and Reporting Misconduct*

What is the strength of the organization's "speak-up" culture?  
Do obstacles exist that prevent employees from stepping forward?  
If so, what might they be?



## PILLAR FOUR

### *Pressure*

Are employees pressured to compromise standards to hit goals? Does the "what" matter more than the "how" within the organization? Are employees encouraged to circumvent standards to achieve business objectives?  
And if yes, by whom?



## PILLAR FIVE

### *Organizational Justice*

Does the company hold every wrongdoer accountable, regardless of rank? Are employees aware of the discipline and the investigation process?



## PILLAR SIX

### *Perceptions of Managers*

Is that leader an ethical role model who fosters an environment that encourages questions about and reporting of ethical misconduct?



## PILLAR SEVEN

### *Perceptions of Leadership*

Do leaders both "talk the talk" and "walk the walk"? Do they act ethically and promote the importance of ethical business?



## PILLAR EIGHT

### *Perceptions of Peers and Environment*

Do co-workers act ethically? Do employees feel a personal responsibility to act ethically?

Ethisphere defined these Eight Pillars of an Ethical Culture with input from ethics and compliance leaders from the Business Ethics Leadership Alliance (BELA), a global professional membership organization dedicated to advancing ethics, compliance, and business integrity. These pillars also reflect the insights of international ethics and compliance experts as well as regulators from various jurisdictions.

# »» Top Insights:

At every organization, there is a gap between how many employees say they would report misconduct and how many actually report misconduct when they see it. On average, this speak-up gap allows for as many as *75 acts of misconduct to go unreported annually per 1,000 employees.*

## Misconduct Goes Unreported

**15%**

of employees witness what they believe to be misconduct each year

**93%**

of employees say they would report misconduct if they witnessed it

**50%**

of employees actually report misconduct when they see it

## Fear of Retaliation a Top Reason Employees Don't Speak Up

**48%**

of employees who observed what they think was misconduct cite fear of retaliation as their reason for not reporting misconduct, even though they wanted to

**43%**

of employees are unwilling to report misconduct at all because of fear of retaliation

## Yet...Employees Trust Companies to Uphold Anti-Retaliation Policies

**83%**

of employees are aware that their employer prohibits retaliation against employees who report misconduct or participate in an investigation

**87%**

of employees believe their manager will uphold anti-retaliation policies

**77%**

of employees believe the organization as a whole will uphold anti-retaliation policies

## Non-Binary/Third Gender Employees Less Trustful in Just Treatment

**21-points**

separates favorable perception among male and female employees of just treatment at the workplace than non-binary/third gender employees or employees who prefer to not identify their gender

# »» Speak-Up Culture

Raising one's hand at the workplace to call out misconduct requires an act of courage on the part of the employee. Speaking up is an act of integrity, however, not all employees voice their concerns.

**THE STRENGTH OF AN ORGANIZATION'S SPEAK-UP CULTURE CAN BE MEASURED WITH THREE KEY METRICS:**

»» *What percentage of employees are aware of, and have faith in, the organization's anti-retaliation protections?*

»» *What percentage of employees would be willing to report misconduct if they witnessed it?*

»» *What percentage of employees actually report misconduct when they witness it?*

# »» Anti-Retaliation

According to Ethisphere culture data, **83%** of employees are aware that their employer has a policy that prohibits retaliation against employees who report misconduct or participate in an investigation. An additional **13%** say they did not know one way or the other. And only **5%** said their company did not have anti-retaliation protections in place.

When it comes to believing that their employer will actually enforce its non-retaliation policy, those numbers dip slightly more than five points to **77%**. Another **20%** neither agree nor disagree, while only **3%** do not believe their employer will enforce its anti-retaliation policies. This suggests that while awareness of anti-retaliation policies is high, that doesn't necessarily translate to understanding or confidence. When nearly one quarter of employees who acknowledge the company's anti-retaliation policy exists say they don't know if that policy is enforced, there is a tremendous opportunity for organizations to build understanding through communications and program reporting.

**83%**

are aware of an anti-retaliation policy

**Only 77%**

believe the anti-retaliation policy will be enforced

## Top Tip

Compliance teams often take the lead in building awareness of the reporting systems and processes.

To increase effectiveness of E&C efforts, tap senior leadership to help spread the message—ideally using personal anecdotes or real case studies—that retaliation is taken seriously and speaking up is the expectation

# »» Anti-Retaliation



## Managers Matter

- People want to report to an actual person.
- Employees are six times more likely to report to managers as hotlines
- The top four reporting options are all human-based

## Top Tip

Prioritize manager training on matters of business integrity, especially around speak-up and anti-retaliation policies. Is your budget being allocated where it is needed the most? Does your spend and attention align with the resources used most often by employees?

However, there is an interesting reversal when employees are asked whether their own manager complies with the anti-retaliation policy. When asked if they believe their manager complies with the policy, **87%** of employees say yes, a full 10-point increase over their confidence that the organization in general abides by its own policy. Moreover, only 2% said that they did not believe their manager would uphold the anti-retaliation policy. What this tells us is that proximity to the source in question matters. Because employees are presumably closer to their immediate manager than to other leadership elements within the organization, employees have more faith (whether real or imagined) that their boss is fulfilling the obligations of the anti-retaliation policy.

This aligns with Ethisphere's long-held belief that managers play a critical role—and therefore, have a critical opportunity and responsibility—as exemplars and arbiters of ethical culture, especially with their direct reports. Ethisphere's culture data shows that people want to report to an actual person. Managers are used six times as often as hotlines, and the top four reporting options are all human-based.

This also aligns with another of Ethisphere's beliefs that organizations benefit by prioritizing manager training on matters of business integrity, especially around speak-up and anti-retaliation policies.

When you reported misconduct, where did you report it? (select all that apply)

60%	My immediate manager
36%	Human Resources representative
21%	My manager's manager
14%	Compliance and Ethics representative
11%	Compliance reporting helpline
10%	Other
7%	Compliance web reporting portal
4%	Internal Audit representative
3%	The Board of Directors or a Committee of the Board
1%	Ombudsman

# » Failure To Report

Despite the presence of anti-retaliation policies, **fear of retaliation (43%) is the most commonly cited reason by employees** for why they would not be willing to report misconduct if they were to observe it in the future.

This is followed by skepticism that corrective action would be taken (34%), lack of anonymity in the reporting process (32%), and the person who committed the wrongdoing is senior level (27%).

It is worth noting that of those four reasons, two of them ultimately stem from a fear of retaliation. A lack of anonymity and fear of reporting someone in a place of authority can increase that fear.

Why would you be unwilling to report misconduct if you were to observe it in the future? (select all that apply)

43%	I fear retaliation
34%	I do not believe that corrective action would be taken
32%	Lack of anonymity in the reporting process
27%	The person who committed it was senior level
19%	I am not concerned
11%	I am not sure whom to contact
6%	Other reasons

# » Failure To Report

Why did you not report misconduct you observed in the past 12 months?  
(select all that apply)

48%	I was concerned about retaliation
48%	I didn't believe that corrective action would be taken
34%	I was worried about remaining anonymous
34%	The person I am reporting about is senior level
25%	I was worried that reporting might damage my reputation
20%	Other reason
19%	I was not sure the misconduct was significant enough to report
14%	I was not sure who to contact to make the report
13%	I was afraid reporting the misconduct would harm my team
11%	My leader prefers to keep issues within our team without escalating them
0.3%	I was not concerned about the misconduct

When we look at employees who said they did not report misconduct when they actually observed it within the past 12 months, the top answer given was that they did not believe that corrective action would be taken (48%). But once again, fear of retaliation also figures prominently (48%).

Worries about remaining anonymous (34%), reporting on senior employees (34%), and fears that reporting might damage one's reputation (25%) all contribute to the concern of experiencing retaliation for calling out misconduct.

This further highlights the necessity of having an anti-retaliation program, along with creating a psychologically safe environment that ensures employees they will be safe from retaliation if they voice their concerns.

## Top Tips Focus on Psychological Safety

- Implement an anti-retaliation program
- Communicate with employees about the anti-retaliation policy
- Train managers to talk with employees about ethics and know how to encourage a speak-up environment



# »» The Speak-Up Gap

The intersection of anti-retaliation awareness and failure to report is where the overall data shows a substantial disconnect between a perceived *willingness* to report, and *actual* reporting behavior.

When asked directly, **93%** of employees say that if they were to observe misconduct, they would be willing to report it. But only **50%** of employees actually reported misconduct when they personally observed it. That represents a 46% discrepancy. This becomes even more important when the data shows that only 5% of employees reported observing unethical behavior or business misconduct at the company within the past 12 months, with 9% unsure or declining to answer.

**83%**

of employees are aware of their workplace anti-retaliation policies

**93%**

of employees say they are willing to report misconduct if they see it

**50%**

of employees who observe or witness misconduct directly actually report it

According to this data, roughly 1 out of every 20 employees observe what they believe to be misconduct over the course of the year. Were we to presume that those who were unsure or declined to answer actually did observe misconduct, that number raises to almost 3 out of every 20 employees. And yet, only half of them will actually report on what they witnessed. When we scale this up to a large, multinational or global operation, these numbers swiftly become troubling: a company with 10,000 employees should expect between **500 and 1,500 incidences a year**, half of which will likely go unreported. As indicated above, the majority of unreported cases go unreported out of fear of retaliation and/or a lack of confidence that reporting will accomplish anything.

That speak-up gap represents both a substantial legal risk for the enterprise, as well as an opportunity for the ethics and compliance team to narrow the gap, improve reporting rates, and advance speak-up culture.

## Key Takeaways

A company with 10,000 employees should expect between **500 and 1,500 misconduct incidences a year**, half of which will likely go unreported.

That speak-up gap represents an opportunity for the E&C team to improve reporting rates, and advance speak-up culture.

# » Demographic Findings

The culture data reported thus far represents information from across the dataset. However, when we look at that same data through a demographic lens, additional context, understandings, and calls to action emerge. Two demographic cohorts in particular demand special notice when it comes to identifying gaps in speak-up culture: gender and tenure (i.e., length of employment with the company, regardless of role or level).

## DATA BY GENDER

When we look at employee perceptions of their organization's Eight Pillars of Ethical Culture by gender, female respondents have slightly higher positive scores around their perception of peers and environment (+3.4%), perceptions of the ethics & compliance function (+1.5%), organizational pressure (+1.1%), and awareness of the E&C program and its resources (+0.4%). Male respondents have slightly higher positive scores around just treatment at the workplace (+4.2%), perceptions of leadership (+2.3%)

and managers (+1.8%) and observing and reporting misconduct (+2.2%).

Of these scores, perhaps the most noteworthy is the 4.2-point gap between male and female employees on the Pillar of Organizational Justice – just treatment at the workplace – which also coincides with male employees' higher perceptions of both managers (+1.8) and overall leadership (+2.3). This gap represents an opportunity to examine why male employees report their higher numbers.

Correlations with overall misconduct data and other diversity, equity, and inclusion (DEI) data (e.g., pay equity, gender balance among leadership positions) could point to areas of improvement that fall outside the remit of ethics and compliance (e.g., human resources). This also holds true for female employees having a 3.4-point gap in their perception of peers and environment.

## Ways To Further Analyze the Data

These scores provide immediate insights, and also point to areas that offer the opportunity for deeper exploration. For example:

- Layer overall misconduct data and other diversity, equity, and inclusion (DEI) data (e.g., pay equity, gender balance among leadership positions) with the culture data to determine if there are areas that could need improvement.
- Dig deeper in the data: if a certain population scores across several areas, check the broader data to determine if any risk factors (e.g., bullying) exist.
- Get more insights: when there's an anomaly, do a pulse survey, or conduct a focus group to get a better understanding of what is going on.

Pillar	Male	Female
Pillar 5: Organizational Justice	+4.2	
Pillar 8: Perceptions of Peers and Environment		+3.4
Pillar 7: Perceptions of Leadership	+2.3	
Pillar 3: Observing and Reporting Misconduct	+2.2	
Pillar 6: Manager Perceptions	+1.8	
Pillar 2: Perceptions of the Function		+1.5
Pillar 4: Pressure		+1.1
Pillar 1: Awareness of the Program and Resources		+0.4

*Pillar ranked by degree of gender-based perception variances*

# » Demographic Findings

## Top Tips

- Non-binary employees scored universally lower than their male and female coworkers. Consider partnering with your DEI team to ensure these employees are heard, supported and accommodated. Employee resource groups and inclusive communications that reflect the composition of your workforce are suggestions to address those who may feel alienated or unheard.
- Gender data in most instances was self-reported by the respondent. Unsurprisingly, those fearful of being identified were also far more likely to record poorer perceptions of every topic measured as part of our assessment.
- For organizations where employees demonstrate a strong or widespread resistance to self-identifying personal characteristics, such as gender, see if alternative methods of segmentation are available so that you can see if this resistance is common within a location, team, business line or region.

When we include data from employees who identify as non-binary/third gender or prefer not to identify gender at all, we see lower numbers for these cohorts. The overall segment score (that is, aggregate positive perception for all Eight Pillars) for male employees is **83.6%**. For female employees, it drops only 1.2 points to **82.4%**. For non-binary/third gender employees, it drops an eye-opening 11.1 points to **71.1%**. For employees who would prefer not to identify their gender, it drops another 1.8 points to **69.3%**, suggesting that this cohort could potentially overlap with the non-binary/third gender cohort but does not feel sufficient

psychological safety to say as much even during an anonymous survey.

When we look at reporting for individual Pillars, the decline can be seen across all eight pillars, with the exception of Pillar 4 (Pressure) in which non-binary/third gender employees report a score of only 43 on Pressure whereas employees who do not identify gender report a 53—a 10-point swing. Were the earlier thesis about the non-binary/third gender and non-identified gender to be true, it would support these numbers, with those openly identifying as non-binary/third gender experiencing worse Pressure than those who do not.

There is a **21-point difference in perceptions of just treatment at the workplace** between the averaged scores of male and female employees compared to the averaged scores of non-binary/third gender and those who prefer not to identify their gender. There is even a greater difference in **perceptions of leadership, at 23 points.**

Pillar	Male	Female	Non-Binary/ Third Gender	Prefer Not to Say
Pillar 1: Awareness of the Program and Resources	92	93	84	84
Pillar 2: Perceptions of the Function	92	93	85	83
Pillar 3: Observing and Reporting Misconduct	78	76	63	62
Pillar 4: Pressure	58	59	43	53
Pillar 5: Organizational Justice	77	73	58	50
Pillar 6: Manager Perceptions	78	76	67	62
Pillar 7: Perceptions of Leadership	82	80	60	56
Pillar 8: Perceptions of Peers and Environment	90	86	75	75

# » Demographic Findings

When we look at the reasons why employees are unwilling to report misconduct, or choose not to report, **fear of retaliation** is the overwhelming factor for all employees.

Organizations should also consider how much more weight that may hold for employees who already feel a heightened sense of vulnerability.

This represents not only a clear opportunity for improvement, but also for ethics and compliance to coordinate with Diversity, Equity & Inclusion to address broader cultural issues within the organization that could impact employee psychological safety.

## E&C Opportunities for Improvement

This data shows that Non-Binary/Third Gender employees score lower across all Pillars of an ethical culture. Although this population represents a small fraction of the overall employee base for most organizations, it is something to consider in communications. A few tips:

- Collaborate with the Diversity, Equity & Inclusion team to address cultural issues that could impact psychological safety; look for ways to increase representation and involvement in ethics and compliance (e.g., Champion programs)
- Supplement quantitative and broad-reaching survey measurement efforts with qualitative input that goes deep. This commonly takes the form of focus groups or interviews. These provide depth to complement the breadth of information gathered via surveys.
- Consider focused communication campaigns to increase awareness of resources, policies, and values of the organization. Integrate communications into existing channels, such as employee resource groups.

Pillar	Male/ Female	Non-Binary/Third Gender & Non-Identified
Pillar 1: Awareness of the Program and Resources	93% (+9%)	84%
Pillar 2: Perceptions of the Function	93% (+9%)	84%
Pillar 3: Observing and Reporting Misconduct	77% (+14%)	63%
Pillar 4: Pressure	58% (+10%)	48%
Pillar 5: Organizational Justice	75% (+21%)	54%
Pillar 6: Manager Perceptions	77% (+13%)	64%
Pillar 7: Perceptions of Leadership	81% (+23%)	58%
Pillar 8: Perceptions of Peers and Environment	88% (+13%)	75%

# » The Speak-Up Gap by Gender



## Top Takeaway

Regardless of gender or employee population composition, the speak-up gap is prevalent and warrants consideration by E&C teams everywhere.

As noted, the overall willingness to report was 50%. When that data is filtered through respondents who volunteered gender information, that average dropped to 46%.

The speak-up gap for male employees is **48%**

The speak-up gap for female employees is **45%**

The speak-up gap for third gender/non-binary employees is **33%**

The speak-up gap for employees who did not identify their gender is **43%**

These figures indicate that while all employees, regardless of gender, experience a significant speak-up gap, the difference is markedly higher among non-binary/third gender employees. Keep in mind that this group also reports witnessing higher levels of misconduct overall, so their speak-up gap demands particular attention.

Results are similar for non-identified employees, though their low willingness to report and very low actual reporting figures (again, compared to their relatively high rate of witnessing misconduct) are themselves worthy of special attention.

Awareness/Willingness/Action	All	Male	Female	Non-Binary/ Third Gender	Non Identified
Are you willing to report misconduct if you saw it?	93%	94%	93%	83%	81%
Did you reported the misconduct you witnessed?	46%	46%	48%	50%	38%

# » Data by Tenure

When examining culture data through a demographic lens, it is tempting to look at employee age as a potential differentiator. And indeed, employee age can lend very useful context around cultural data. Ethisphere's 2023 Culture Report, for example, examined post-COVID cultural trends by generation. For the purposes of this report, we will look at tenure as a litmus for organizational culture.

As a result, in this section, employees are categorized into seven groups:

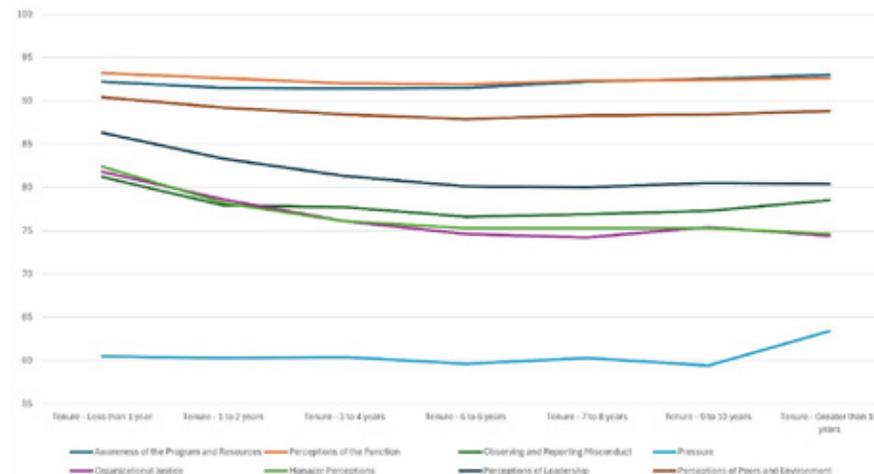
- Less than 1 year
- 1 to 2 years
- 3 to 4 years
- 5 to 6 years
- 7 to 8 years
- 9 to 10 years
- Greater than 10 years

When perception scores of the Eight Pillars are broken out among these seven cohorts, a pattern emerges. Most perceptions tend to

decline overtime, followed by an increase once the employee approaches or crosses the 10-year mark. Referred to as the "tenure smile," this phenomenon suggests that new employees benefit from the enthusiasm of recently joining the organization, and long-term employees find a new source of satisfaction, having established their place within the company and its culture.

## Key Takeaway

The tenure smile can pose challenges for the ethics and compliance team. During the low ebb of an employee's tenure, their lowered perception of the Eight Pillars can influence their overall willingness to report misconduct and likelihood of actually reporting it when witnessed. This is especially true of Pillar 5, which bottoms out at 7 to 8 years and never quite recovers, suggesting that unlike perceptions of other ethical pillars, once an employee's faith in the system begins to erode, it can be very difficult to restore.



# »» Data by Tenure

Manager perception poses a similar difficulty. Perceptions of Pillar 6 deteriorate by 6.3 points within employees' first four years, after which they continue a very gradual downward slide. Regardless of tenure, one's manager remains their most likely point of contact should the employee wish to report conduct.

It is worth repeating that managers play vital a role in the maintenance and advancement of an organization's culture in general and speak-up culture in particular.

Tenure Category	Overall Perception Score
Less than 1 year	86
1 to 2 years	84
3 to 4 years	83
5 to 6 years	82
7 to 8 years	83
9 to 10 years	83
Greater than 10 years	83



## Top Tips

Organizations should train their people managers, regardless of tenure, on all aspects of ethical culture, including the Code of Conduct, why, when, and how to report misconduct, and the anti-retaliation policies and procedures meant to protect all employees.

People managers should also regularly receive updated training on how to best serve as a direct report's point of contact if and when a report of misconduct arises.

# »» The Speak-Up Gap by Tenure

Less than 1 year: **37%**  
 1 to 2 years: **44%**  
 3 to 4 years: **44%**  
 5 to 6 years: **46%**  
 7 to 8 years: **44%**  
 9 to 10 years: **42%**  
 Greater than 10 years: **40%**

Here we see the tenure smile at work, with employees between 5-8 years being the least willing to report misconduct, and employees with more than 10 years on par with new employees.



## Top Tips

The degradation of several indicators over time suggests that compliance managers have a possible need to invest in training, communications and systems so that they remain fresh and relevant as one advances in their career in an organization. Considerations:

- Are efforts focused on properly onboarding new hires with engaging code training?
- What are the 1, 3, and 5-year plans for re-engaging with these employees to ensure the message resonates?

Awareness/Willingness/Action	All	<1	1-2	3-4	5-6	7-8	9-10	>10
Are you willing to report misconduct if you saw it?	93	93	95	94	93	92	92	92
Did you reported the misconduct you witnessed?	50	56	51	50	47	48	50	52

# » Conclusions

## A STRONG CULTURE IS KEY TO A SUCCESSFUL ORGANIZATION

People want to do the right thing. There is a saying in ethics and compliance, that at any company, 10% of employees can always be counted on doing the right thing, 10% can always be counted on to do the wrong thing, and the remaining 80% in the middle is where a strong ethics and compliance program can really make a difference.

The degree to which successful ethics and compliance programs can positively impact culture and reporting underscores how much that 80% in the middle of the organization wants to do the right thing. Let there be no doubt, Ethisphere culture data points to “doing the right thing” as far and away the top reason (88%) that employees give for reporting misconduct. But consider the other reasons. Their manager, senior leadership, and peers will support them. They know corrective action is needed. And they have faith that the system will protect them from retaliation.

This report has outlined some of the roadblocks preventing organizations from having a robust speak-up culture. Whether their obstacle is a lack of information, a fear of reprisal, or a skepticism in the system, all can be overcome with the right application of training, communication, and transparency. Progress in these areas is inherently measurable through a culture assessment, and the results can suggest best courses of future action.

Culture is an organization’s superpower. The responsibility of ethics and compliance professionals is to guide and advance the organization’s culture. The data shared in this report proves that the 80% of employees in the middle, deep down, want to be that 10% that will do right 100% of the time.

### Why are you willing to report misconduct?

87.8%	It is the right thing to do
60.8%	Corrective action is necessary
52.8%	My manager will support me
48.5%	The reporting is anonymous
44.6%	Senior leadership will support me
36.5%	My co-workers will support me
24.1%	If I don't do it, no one else will
1.7%	Other reasons

# »» The Ethics Premium

One of the most compelling proof points that strong ethics is good business is Ethisphere's Five-Year Ethics Premium, which charts the financial performance of current the year's World's Most Ethical Companies® honorees against a comparable index of large-cap companies.

Ethisphere has been gathering and charting this data for the past 18 years. The most recent Five-Year Ethics Premium shows that World's Most Ethical Companies honorees *outperformed their peers by 12.3%*.

## FIVE-YEAR ETHICS PREMIUM: 12.3%

The listed 2024 World's Most Ethical Companies® Honorees outperformed a comparable index of global companies by 12.3 percentage points from January 2019 to January 2024.

2024 WORLD'S MOST  
ETHICAL  
COMPANIES®  
ETHISPHERE



# »» The Culture Quotient

This intelligence has informed Ethisphere's *Ethical Culture Accelerator*, an assessment used by top global companies to determine employee perceptions of the organization's culture of ethics and accountability. Through this work, we have built what we believe to be the most extensive ethical culture database in the world, which features the insights of *more than three million individual employee responses* gathered from hundreds of culture assessments, which include those from 73 publicly listed firms.

Much like the Five-Year Ethics Premium, the Culture Quotient draws a strong connection between ethical behavior and strong organizational performance.

## *Why invest in culture?*

Companies whose employees have favorable perceptions of ethical culture, report a *40% higher return on assets* than companies that do not.

Companies with culture perceptions that are at least one standard deviation higher than companies who do not. According to an analysis of Ethisphere's Ethical culture data from 2016 to 2024 by researchers from Arizona State University.



# »» Methodology

This report draws upon a data sample produced by Ethisphere's Ethical Culture Perceptions Assessment, in which **more than three million employees** around the world answered a 54-question survey focused on reporting behavior and how that behavior reflected certain realities around organizational speak-up culture.

The data referenced in this report consists of nearly **two million responses** gathered from surveys of more than **300 companies** administered by Ethisphere from April 2020 through March 2024. Ethisphere chose this particular span of time because it reflects the realities of organizational culture after the start of the COVID-19 pandemic, which ushered in era of profound cultural transformation at organizations of every size and type around the world.

Questions were presented using the framework of Ethisphere's Eight Pillars of Ethical Culture and consists of questions with Likert-scale ("strongly agree" to "strongly disagree") response options, multiple select, and open comment questions. Participating companies were provided the ability to configure or remove survey questions.



**120+**  
Countries



**2 Million**  
Employee  
Respondents



**300**  
Companies

# »» About Us

## ETHISPHERE

Ethisphere is the global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust, and business success. Ethisphere has deep expertise in measuring and defining core ethics standards using data-driven insights that help companies enhance corporate character. Ethisphere honors superior achievement through its *World's Most Ethical Companies*® recognition program, provides a community of industry experts with the *Business Ethics Leadership Alliance (BELA)*, and showcases trends and best practices in ethics with *Ethisphere Magazine*. Ethisphere also helps to advance business performance through data-driven assessments, guidance, and benchmarking against its unparalleled data: the Culture Quotient dataset focused on ethical culture and featuring the responses of 3+ million employees around the world; and the Ethics Quotient dataset, featuring 200+ data points highlighting the ethics, compliance, social, and governance practices of the World's Most Ethical Companies. For more information, visit [ethisphere.com](https://www.ethisphere.com)

## ETHICAL CULTURE ACCELERATOR

*Available at [ethisphere.com/culture](https://www.ethisphere.com/culture)*

Ethisphere's culture measurement, strategy, and enablement offers the data and tools you need to start making transformational improvements.

- ***Ethisphere Ethical Culture Assessment*** | Leverage Ethisphere's customizable questionnaire or benchmark against our data set to see how you rate across the Eight Pillars of an Ethical Culture compared to leading companies in your industry, region, and more. Gain access to our best-in-class data, expert analysis, and improvement recommendations to address your top priorities.
- ***Ethical Culture On-Demand Reporting*** | On-Demand Reporting lets you automatically create board-ready reports that break down perceptions of culture by employee role, region, gender, tenure, and more across your teams. Leverage data to create immediate action plans for improvement.
- ***Ethisphere Culture Communication Tools*** | Boost your culture approach with communications, best practices survey content, action planning templates, and workflow tools.