



# VCU

Integrity and Compliance

## 2017 Ethical Culture & Perceptions Assessment

The Integrity and Compliance Office (ICO) conducted a culture survey in March 2017 to assess the university community's awareness of certain resources; perceptions of integrity and compliance in the workplace; and comfort level related to raising concerns. Since 2010, this survey has been conducted biennially and serves as one mechanism to identify/measure drivers of good conduct, opportunities to strengthen our workplace culture, and effectiveness of VCU's Ethics and Compliance program.

### Methodology

The following key indicators of ethical culture were assessed through responses to questions designed to illicit perceptions based on individual experiences and observations:



#### Awareness of the Program and Resources

8 questions: Familiarity with the Integrity and Compliance Office, VCU's Ethics and Compliance Program, expectations and related resources



#### Perceptions of Employees and Environment

6 questions: Ethical perceptions of peers and leadership; and trust between supervisors and subordinates



#### Observing and Reporting Misconduct

10 questions: Directly observed misconduct, comfort level with reporting these incidents and perceived deterrents for reporting



#### Organizational Justice

3 questions: Perception of whether employees are held accountable

Survey results were benchmarked against prior year surveys conducted by the ICO as well as the most recent 2016 Global Business Ethics Survey—a longitudinal, cross-sectional study of ethics in workplaces—conducted by the Ethics & Compliance Initiative (ECI).

## Survey Format

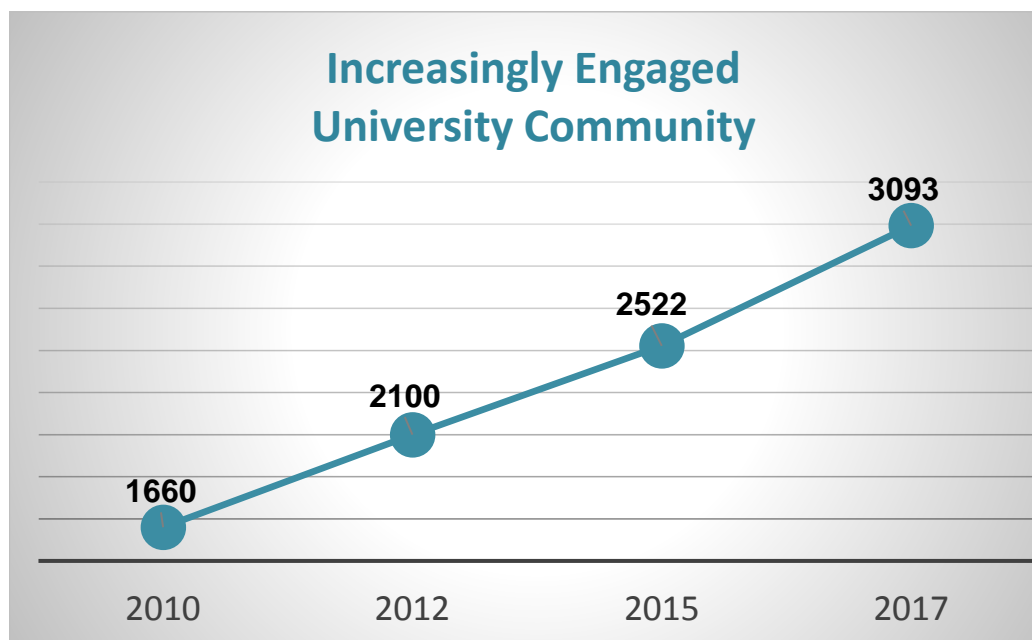
The 2017 Integrity and Compliance Culture Survey was comprised of 30 single select, multiple select and open-ended text questions. Skip logic was utilized so that respondents were only asked relevant follow-up questions; therefore, not all questions were asked of every respondent. Seven point linear scales were used to measure respondent's Familiarity (Not at all to Very Familiar) and Agreement (Strongly Disagree to Strongly Agree) levels with 4 as a neutral value. Percentages are reported in rounded whole numbers.

- > Twenty-five questions covered ethical perceptions of our culture
- > One open-ended text field was supplied to permit submission of general comments related to an ethical and compliance environment – themes from comments are shared at the end of this report
- > Four questions were demographic in nature to allow for further analysis of perceptions based on department, employee type, years of service, etc.

## Distribution and Response Rate

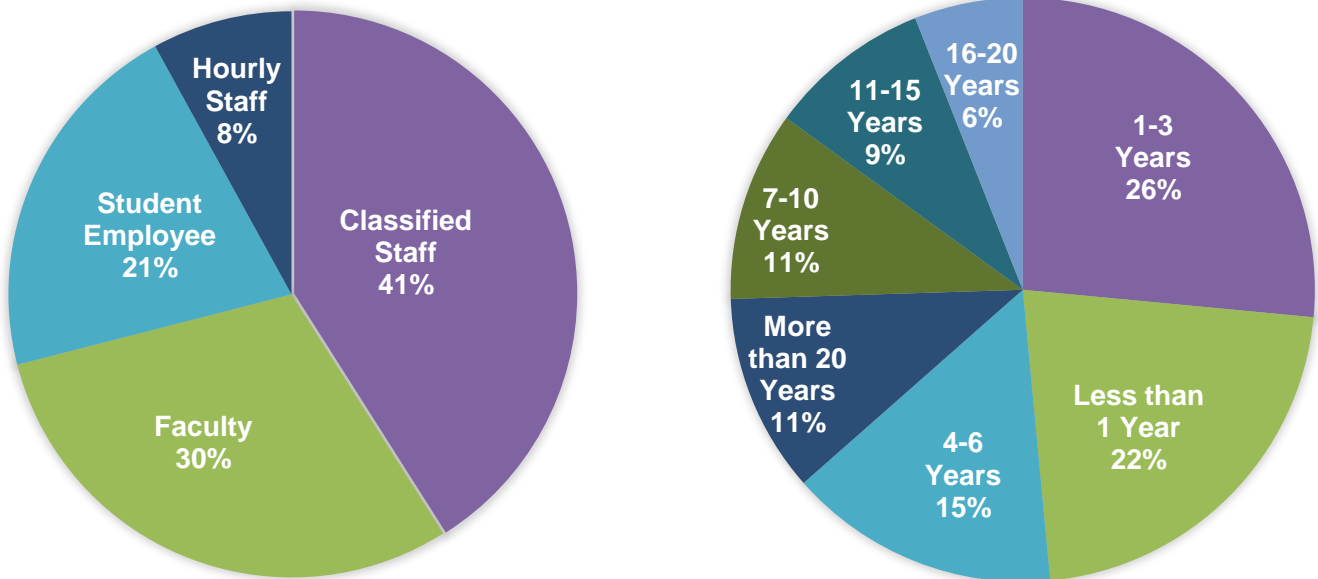
The survey was announced on Wednesday, February 22, 2017 through a broadcast email to all employees and closed on Friday, March 24, 2017. Employees had a total of 23 business days to participate in the anonymous, online survey. Reminders were also communicated over this period.

This cycle's response rate is 27%, which is a 23% increase in the number of participants from the prior survey cycle. This is most likely attributable to employees believing in the contributions of their voice; a desire for the university to listen and respond; recognizing the benefits associated with this type of survey and additional reminders to participate. As in past years, a chance to win one of five incentive prizes was also advertised to encourage participation.



## Assessment Summary

This cycle's feedback is made possible by 3,093 unique respondents representing **all** employee types and major budget units. This cross section provides a comprehensive view of perceptions in the environment and strengthens the VCU values of respectful inclusion and collaboration. Additional demographic details are included in the appendix.



Overall, survey results are positive (resources remain well known and individuals continue to speak up) and demonstrate the university's commitment to accountability through continual measurement, assessment and response to the voice of university community members. An ethically healthy environment is evident from this survey's results as well as areas for further reflection. Specifically, data indicated managers and supervisors would likely benefit from increased training on handling reported concerns to reduce negative perceptions related to addressing concerns. Also, reporting options and the university's anti-retaliation policy may need to be better communicated. These topics were recently addressed in the 2016 Integrity and Compliance Education modules due in December 2016. This education effort in combination with planned supervisor/management targeted initiatives is expected to positively impact these metrics between now and the 2019 survey.

This cycle included new questions prompted by both industry best practice and prior survey results indicating a need for more specificity in follow up questions and assessment related to trust; raising concerns; and accountability. Specific topics measured and new questions covered are highlighted below along with a brief summary of notable results. Moving forward the results of this survey will be communicated broadly and help to inform all efforts related to VCU's culture.

The detailed Survey Analysis and Results Section, following this summary, provides all survey data supporting conclusions drawn and likely attributions shared

## Awareness of the Program and Resources (beginning on page 6)

### Measures familiarity of resources (includes university policies).

- > Familiarity with resources has increased 9% with the Integrity and Compliance Office and 7% with the Policy Library.
- > Supervisors indicated an increased familiarity with resources available to assist them with encouraging ethical conduct and accountability (and addressing concerns) than in past years. Specifically, there was a 22% jump in the maximum rating of “7-very familiar” for these questions.

These results are most likely attributable to increased education as a part of the ICO’s awareness initiatives, which included training presentations, compliance week activities, informational tables at VCU sponsored events, nurturing business relationships, remaining accessible and credible, and joining several collaborative committees and workgroups.

## Perceptions of Employees and Environment (beginning on page 11)

### Measures perceptions of ethical conduct and trust related to employee-supervisor relationship.

**New questions this cycle:** My supervisor trusts me to do my job well and with integrity; I trust my supervisor to support me in my role and follow through on promises/commitments.

- > A 5% difference exists between perception of "employees" and "employees in a leadership position" demonstrating integrity and ethical behavior in performance of duties, 88% and 83% respectively (the 83% is a 4% increase over last cycle).
- > A 7% difference exists between respondents stating their supervisors trust them and those same individuals then stating they have trust in their supervisors to have support in them and uphold commitments, 95% and 88% respectively; despite the difference in response, this is an indication of ethically healthy relationships.

Themes compiled from an open-text field question providing an opportunity to share any perceptions about the environment begin on page 24 and demographic information is on page 26.

## Observing and Reporting Misconduct (beginning on page 15)

### Measures comfort level, observations and reasons for not reporting.

Responsive questions addressed whether reporting was conducted and subsequently why respondents reported or declined to report.

**New questions this cycle:** The follow-up question, “describe the misconduct that you observed,” was presented if a respondent indicated observing or experiencing misconduct. Responsive questions addressed whether reporting was conducted and subsequently why respondents reported or declined to report.

- > Comfort level with reporting concerns is at all time high since measuring began in 2010, reflecting 86% of respondents in agreement with being comfortable reporting to their supervisor.
- > The perception that protection from retaliation exists as a VCU value continues to be rated favorably and show improvement over prior years. Specifically, protection is perceived by reporting through the VCU Helpline at 83%, followed by reporting direct to a supervisor at 82%, and reporting to a central office at 79%.

### Organizational Justice (beginning on page 22)

**Measures feelings toward issue response and resolutions and perceptions of retaliation.**

**New questions this cycle** focused on reflexive questions once a respondent indicated reporting concerns and included perceived retaliation for speaking up and a description of the retaliation experienced.

- > While still representative of a minor population of survey respondents, new themes revealed this cycle are:
  - Inadequate addressing or follow-up to reported concerns
  - Supervisors inconsistently following policy or ignoring policy when inconvenient
  - Concerns related to reporting time/leave incorrectly
- > Understandably, feelings of uncertainty and unsatisfactory handling of reported concerns is likely attributable to the fact that communication must often be limited when the resolution is related to personnel actions. Additionally, little or no follow-up is also a contributor, which illustrates an opportunity for additional education on appropriate response to employees by management when concerns are reported.

## Detailed Survey Results and Analysis

The following pages contain detailed information and conclusions in the following categories and subcategories:

### Awareness of the Program and Resources

Familiarity with Integrity and Compliance related resources  
Familiarity with VCU's Policies

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### Perceptions of Employees and Environment

Perceptions of ethical conduct in the workplace  
Trust in supervisors

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### Observing and Reporting Misconduct

Comfort with reporting concerns or incidents of non-compliance  
Observation of misconduct  
Reporting misconduct

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### Organizational Justice

Appropriateness of resolution and follow up  
Perceptions of retaliation in response to voicing concerns

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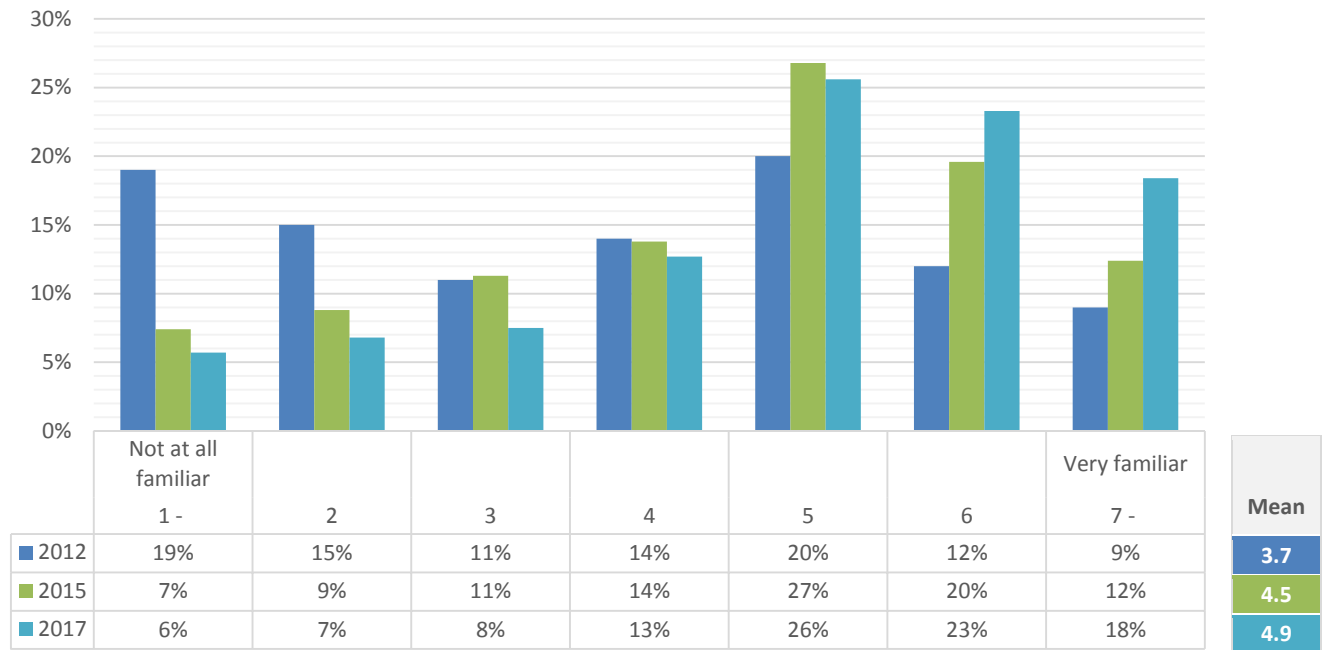
## Awareness of the Program and Resources

### Familiarity with Integrity and Compliance Related Resources

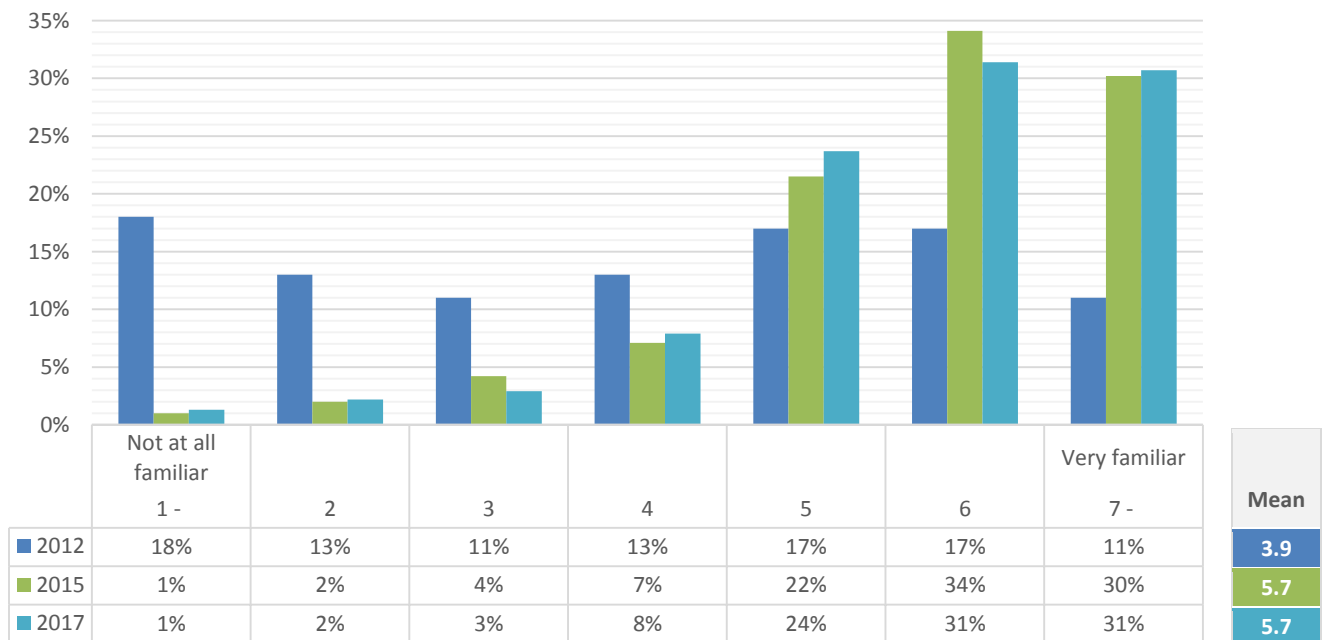
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The Integrity and Compliance Office (ICO) serves as a resource to the university community, providing guidance and tools such as the VCU Code of Conduct, Policy Library and VCU Helpline. The following questions were posed to measure familiarity with these resources and help determine where to focus ICO awareness and education efforts.

### How familiar are you with the Integrity and Compliance Office?

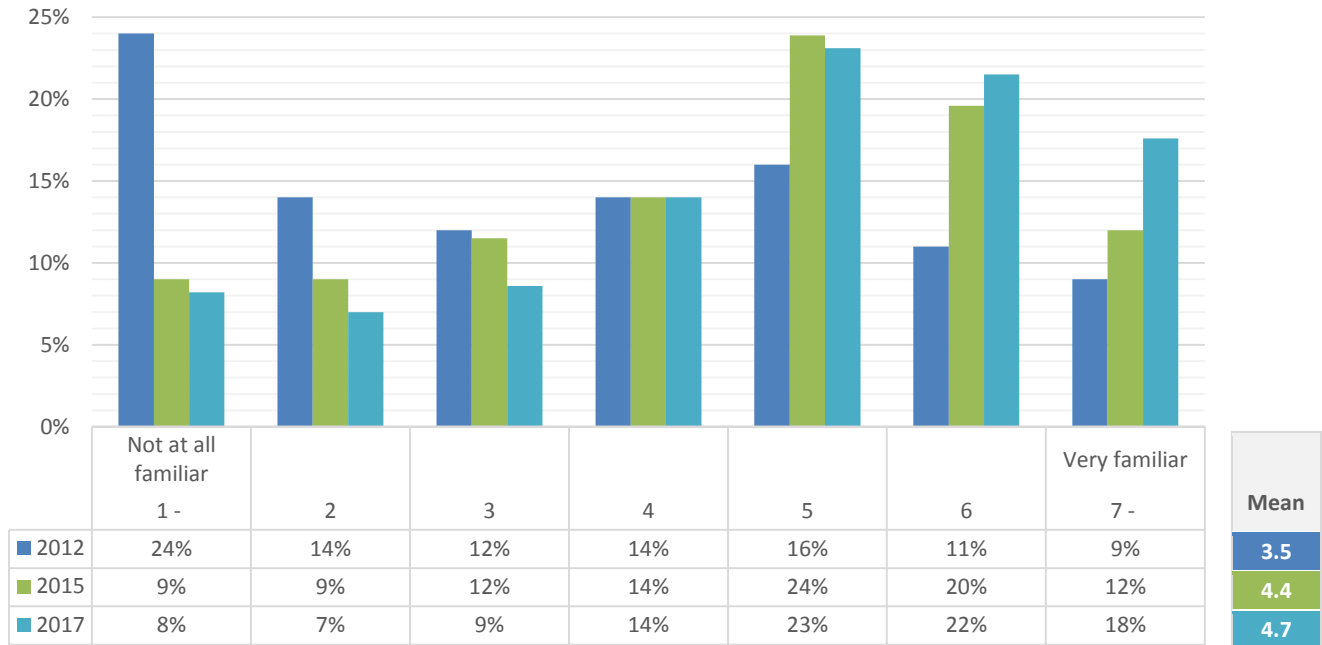


### How familiar are you with the VCU Code of Conduct (which contains our Ethical Standards)?<sup>1</sup>

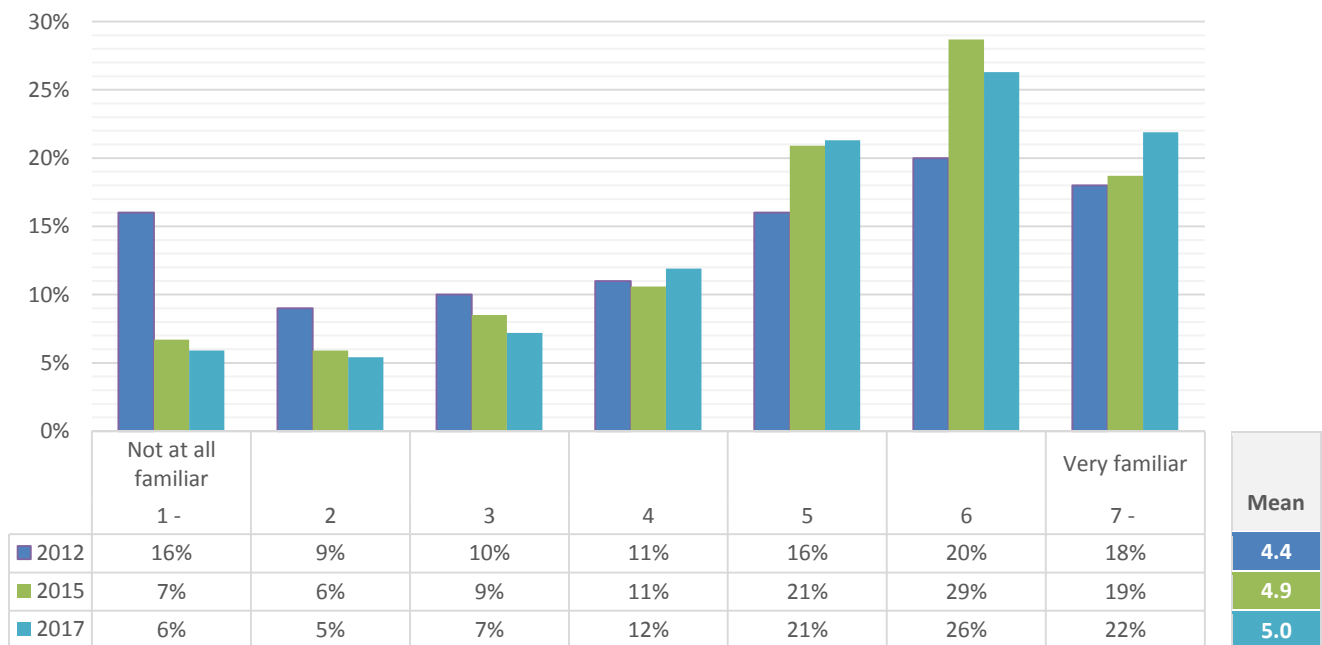


<sup>1</sup> The 2012 survey question referred to the “Code of Conduct for Business Practices” since the VCU Code of Conduct was not yet created during this survey cycle.

### How familiar are you with the VCU Policy Library?

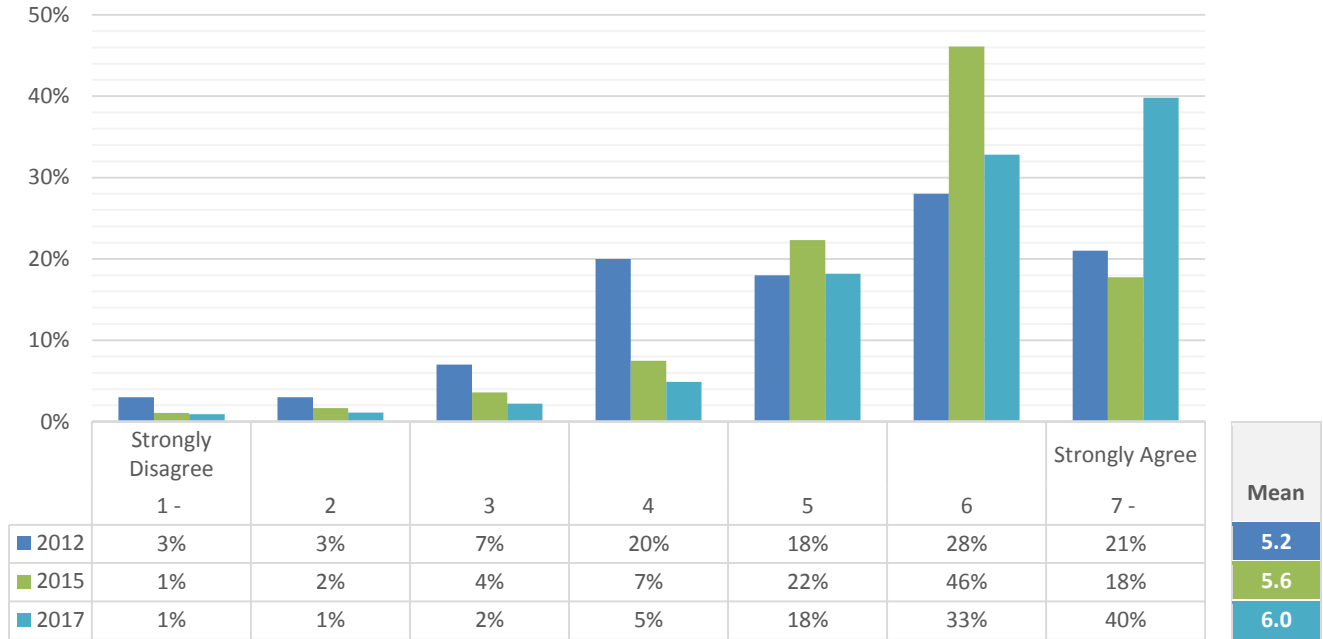


### How familiar are you with the VCU Helpline for anonymously reporting compliance concerns?

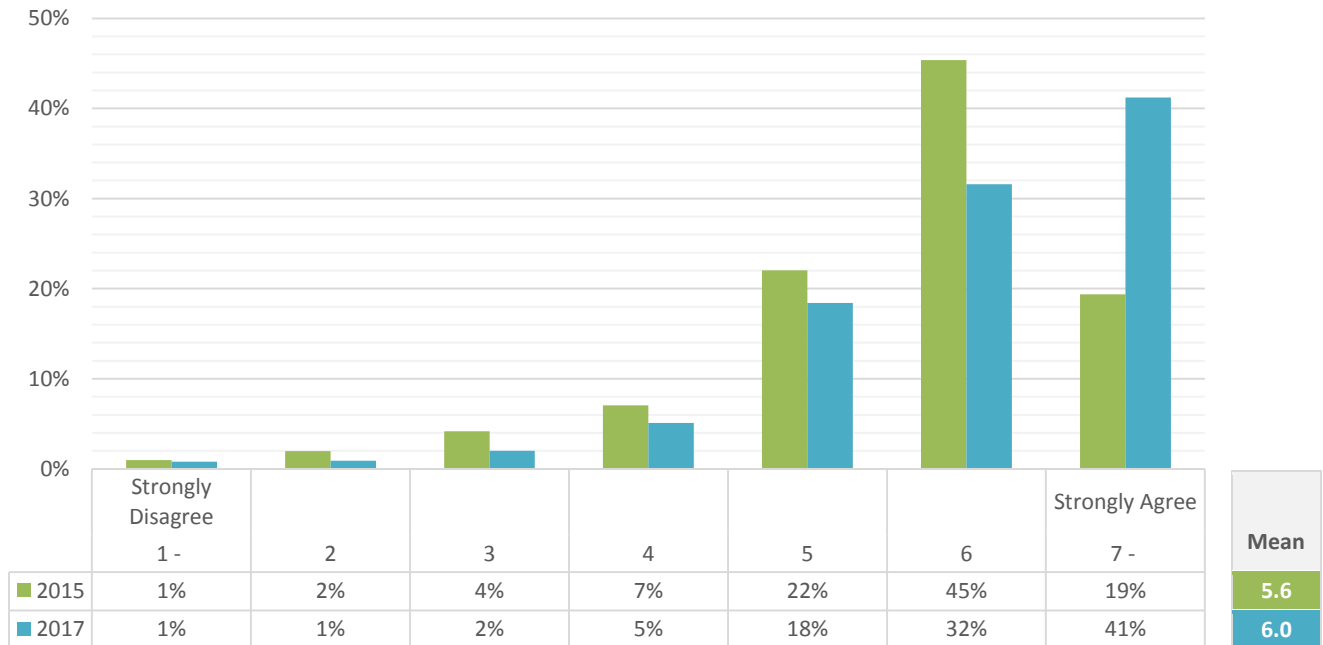




**As a supervisor, or other leadership role, I know where I can find resources to assist me in developing appropriate ethical behavior and accountability in my employees.**



**As a supervisor, I know where I can find resources to assist me in appropriately responding to and addressing reported compliance and ethical concerns.**



## Conclusion

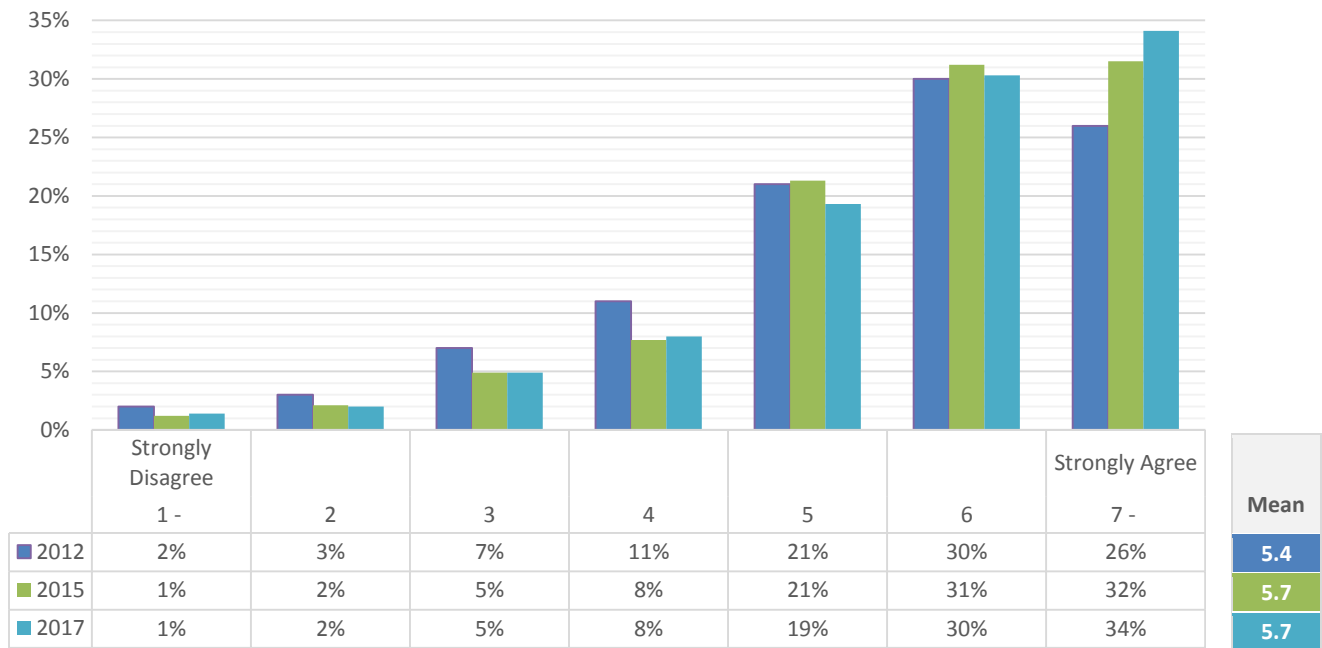
Overall, there was a 9% increase in familiarity with the ICO and a 7% increase in familiarity with the Policy Library. Familiarity with the VCU Helpline and *VCU Code of Conduct* was consistent with past years at 86% and 69% respectively. Most notably, supervisors indicated that they were more familiar with resources to assist them with encouraging ethical conduct and accountability (and addressing concerns) than in past years. Specifically, there was a 22% jump in the rating of “7-very familiar” for these questions.

The increase in familiarity of resources is most likely attributable to increased education as a part of the ICO’s awareness initiatives, which included training presentations, compliance week activities, informational tables at VCU sponsored events, and joining several collaborative committees and workgroups.<sup>2</sup>

## Familiarity with Policies

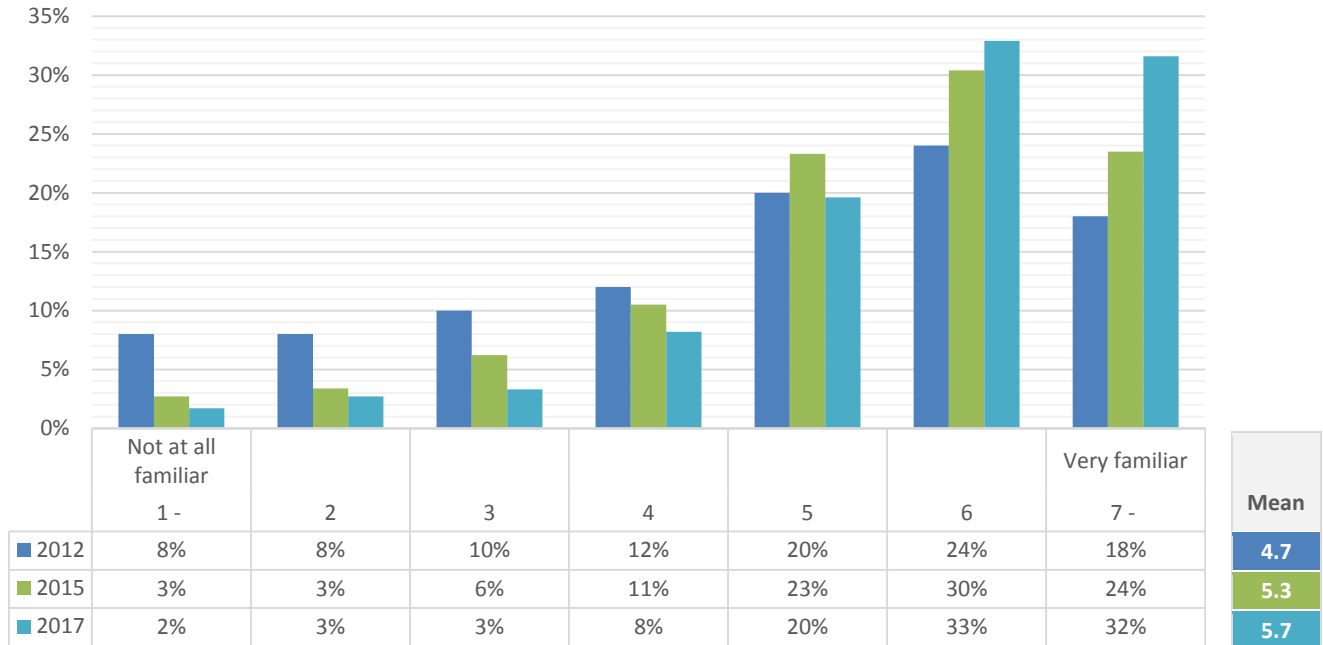
Respondents were asked if they know where to find policies and procedures and what their familiarity is with policies promoting a civil and professional working environment. The purpose of this inquiry is to evaluate the accessibility of information employees need in order to perform their work in compliance with VCU’s expectations.

### I know where to find information on policies and procedures at VCU.



<sup>2</sup> This list is not exhaustive.

**How familiar are you with VCU's policies promoting an ethical culture, a civil and professional working environment, and anti-retaliation for reporting concerns?**



**Conclusion**

Eighty-three percent of employees reported familiarity with where to find policies in line with 2015 results. However, familiarity with the Policy Library grew from 56% in 2015 to 63% this year. The expectation is that this metric will continue to increase over the next several years as the Policy Program is further developed, promoted and utilized.

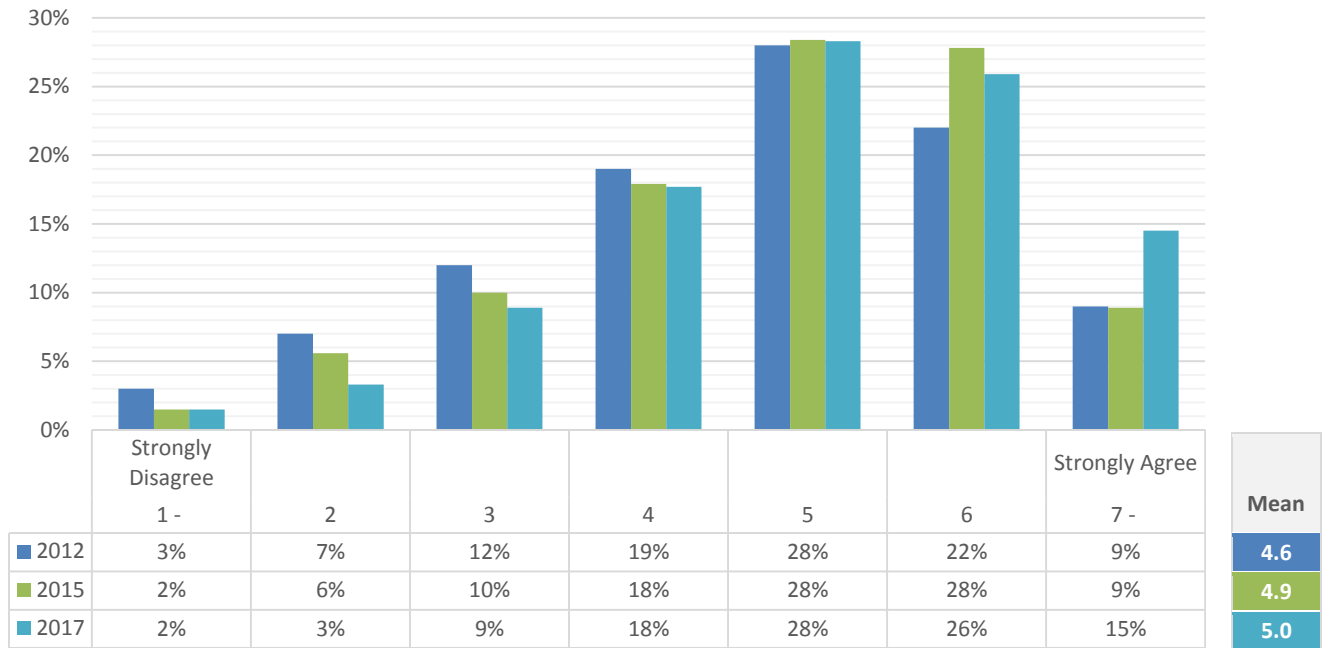
Complimentary to this finding, there was also a 7% increase from the 2015 survey (and a 23% increase from 2012) in familiarity with policies promoting a civil and professional working environment. This may be attributable to the President and Provost’s consistent messaging related to this topic serving as reiteration of VCU’s expectations, which is a positive indicator of appropriate “tone from the top.”

**Perceptions of Employees and Environment**

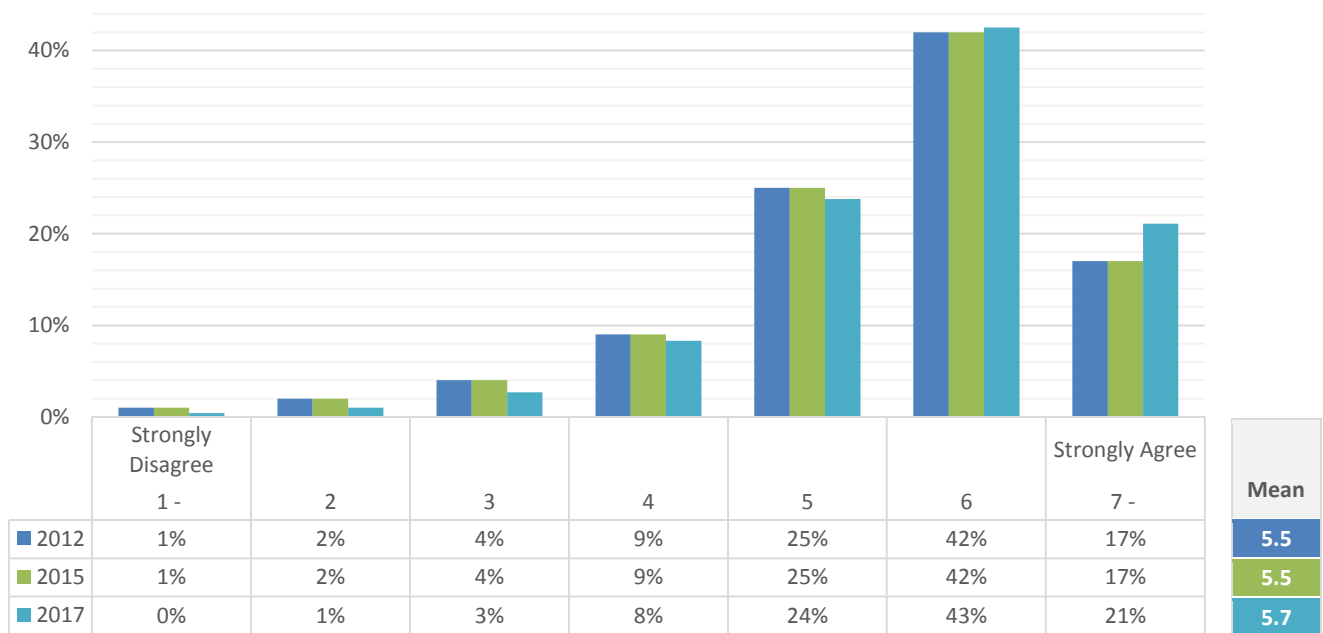
**Perceptions of Ethical Conduct in the Workplace**

The following questions were included in the survey to measure ethical perceptions of peers and those in leadership roles.

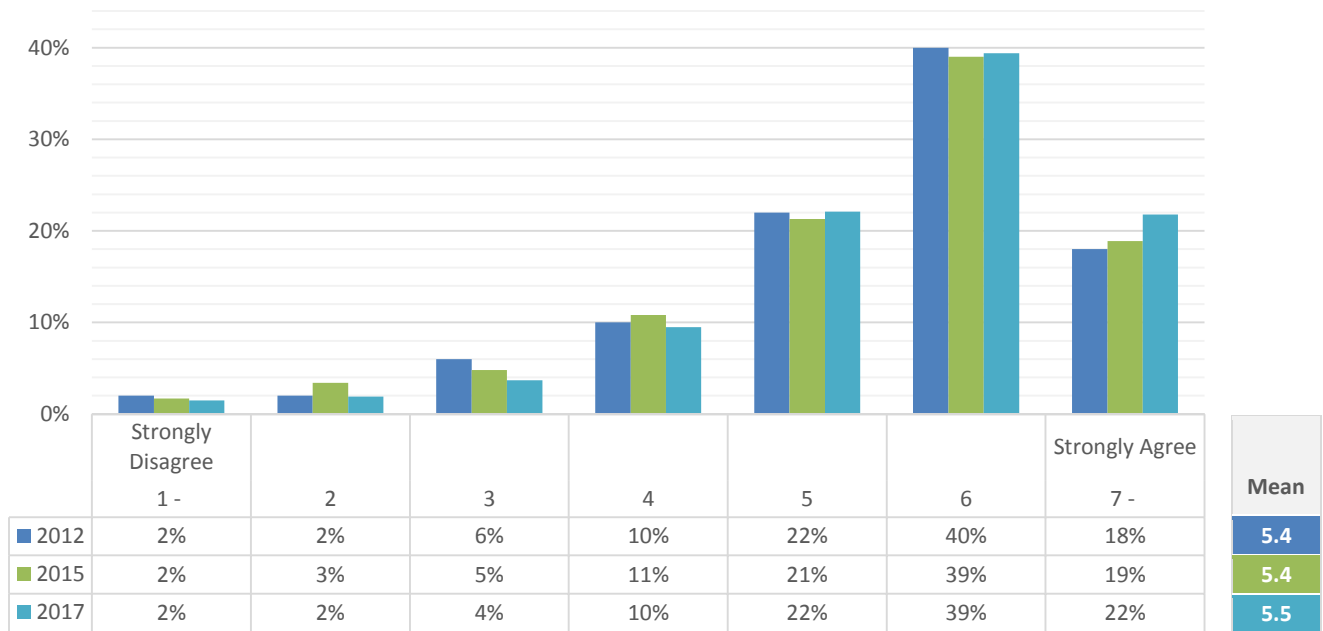
**I believe that most employees at VCU know the laws, regulations and university policies that they are required to follow.**



**I believe that most employees at VCU demonstrate integrity and ethical behavior in performance of their job duties.**



**I believe that most employees in leadership positions at VCU demonstrate integrity and ethical behavior in performance of their job duties.**



**Conclusion**

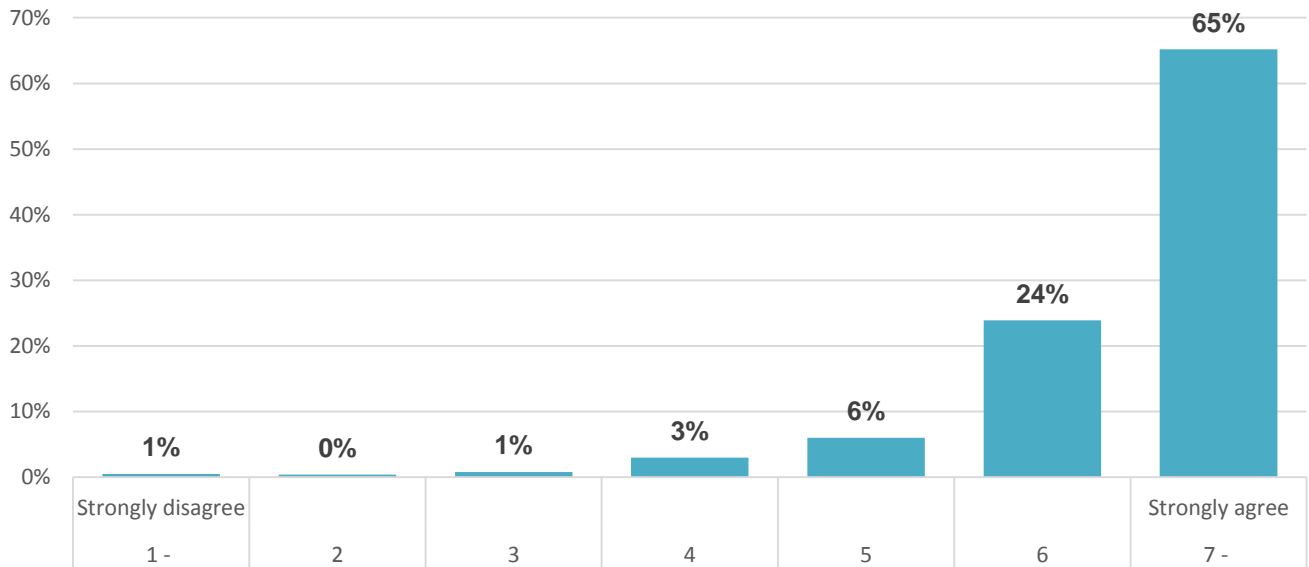
With an increase of 4% from the 2015 survey, the 2017 data demonstrates respondents are in agreement that most employees know the laws, regulations and university policies they are required to follow. This is supported by a 4% increase in agreement that most employees demonstrate integrity and ethical behavior in the workplace. Interestingly, that while only 69% of respondents agreed that most employees know the policies that they are required to follow, 83% of respondents agreed that they know where to find the policies that apply to their position. This data suggests that employees may express over-confidence of their policy knowledge and under-confidence in others.

Belief that leadership demonstrates integrity and ethical behavior increased 4% from 2015.

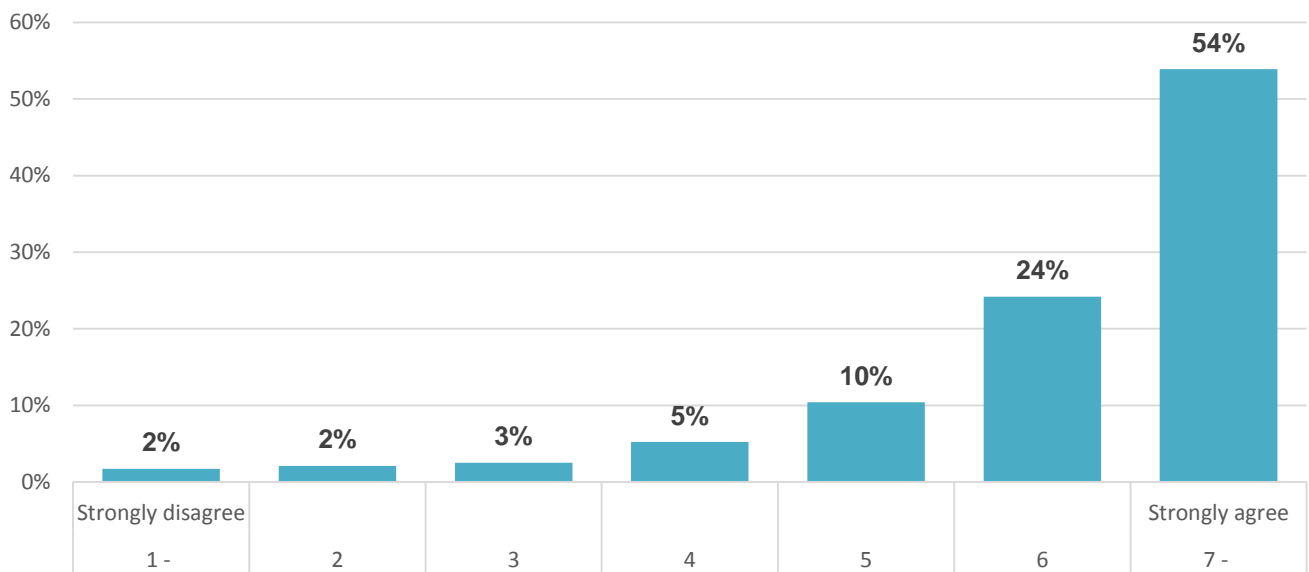
**Trust in Supervisors**

The following questions help measure the level of trust employees have with their direct supervisor, which impact comfort level of reporting concerns, ethical conduct and accountability.

### My supervisor trusts me to do my job well and with integrity.



### I trust my supervisor to support me in my role and follow through on promises/commitments.



### Conclusion

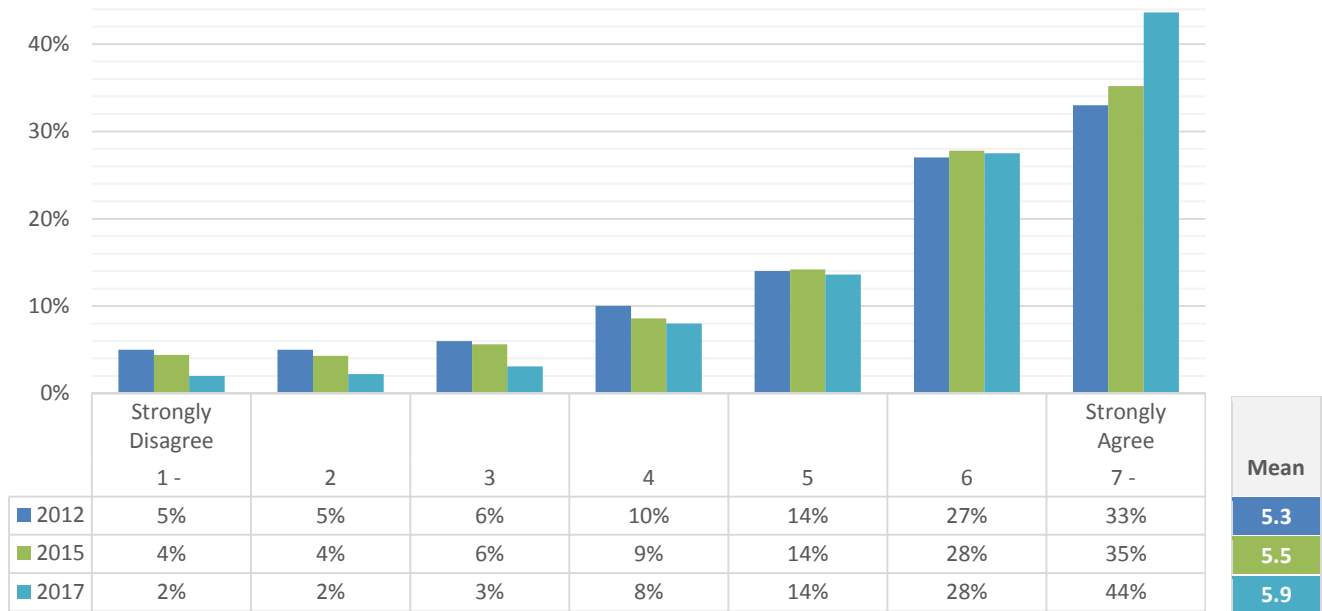
Ninety-five percent of employees indicated that their supervisor trusts them to do their job well and with integrity, while 88% agreed that they trust their supervisor to support them and follow through on promises/commitments. This is a positive indicator of ethically healthy relationships between employees and their direct supervisor.

## Observing and Reporting Misconduct

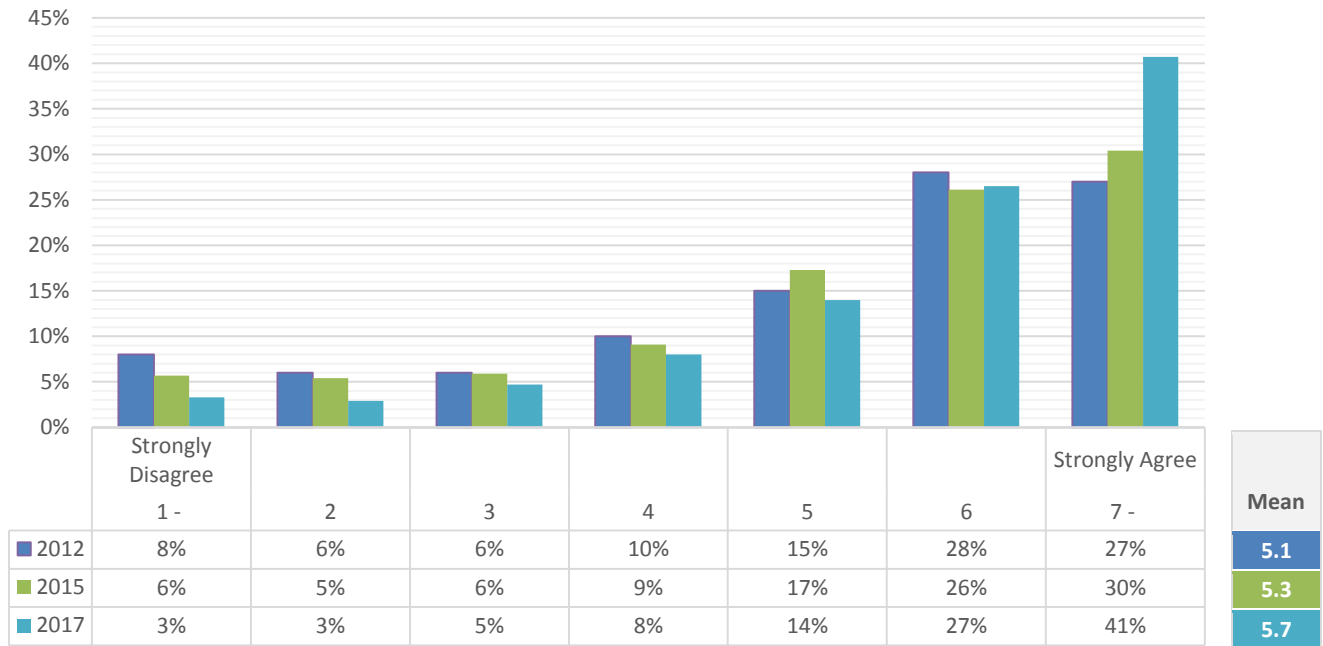
### Comfort Level with Reporting Incidents or Concerns of Noncompliance

Employees were asked to rate their comfort level with reporting issues to their supervisor and whether they felt they would be protected from retaliation when reporting through various mechanisms. This data was collected to evaluate whether respondents felt they could raise concerns without fear of retaliation.

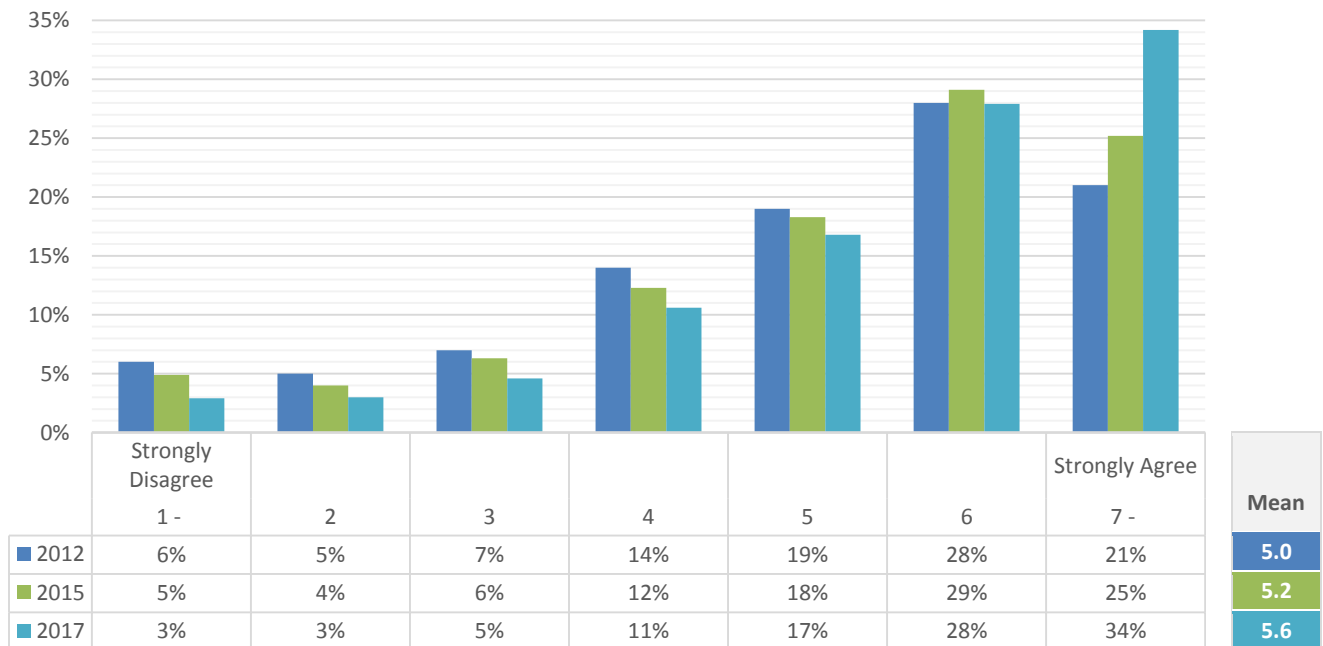
#### I feel comfortable reporting incidents or concerns of noncompliance to my supervisor.



**I feel that I would be protected from retaliation if I report an ethics or compliance concern to my supervisor.**

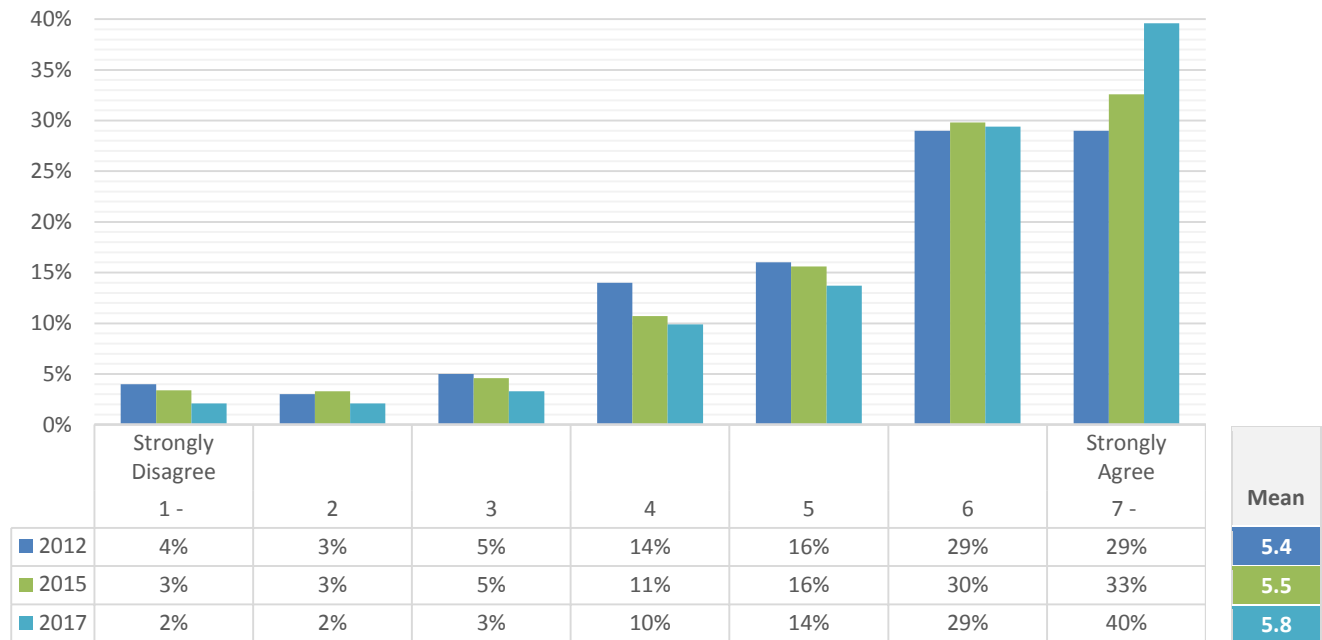


**I feel that I would be protected from retaliation if I report an ethics or compliance concern to a central office (e.g., Human Resources; Athletics; Grants and Contracts, and Effort Reporting).**





**I feel that I would be protected from retaliation if I report an ethics or compliance concern through the VCU Helpline.**



**Conclusion**

Although fear of retaliation is a commonly cited deterrent to reporting concerns across all industries and is reflected similarly in VCU’s culture surveys, by contrast the university receives very few reports (allegations) of actual retaliation or threat of retaliation (11 in the last 18 months) and only one of these allegations was substantiated. Three were pending as of April 12, 2017.

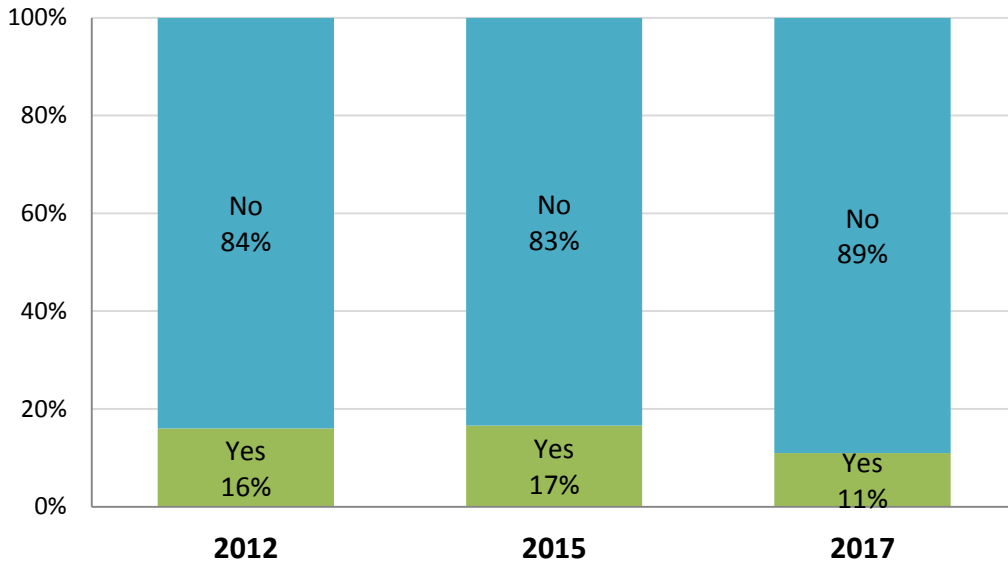
Respondents indicated their comfort level in reporting directly to a supervisor increased by 8% from the 2015 survey, as did the belief that the reporter would be protected from retaliation if reporting to a supervisor, central office, or the VCU Helpline (increasing by 7%, 6% and 5% respectively). Additionally, respondents felt most confident that they would be protected from retaliation by reporting through the VCU Helpline at 83%, followed by reporting direct to a supervisor and reporting to a central office at 82% and 79% respectively.<sup>3</sup>

**Observation of Misconduct**

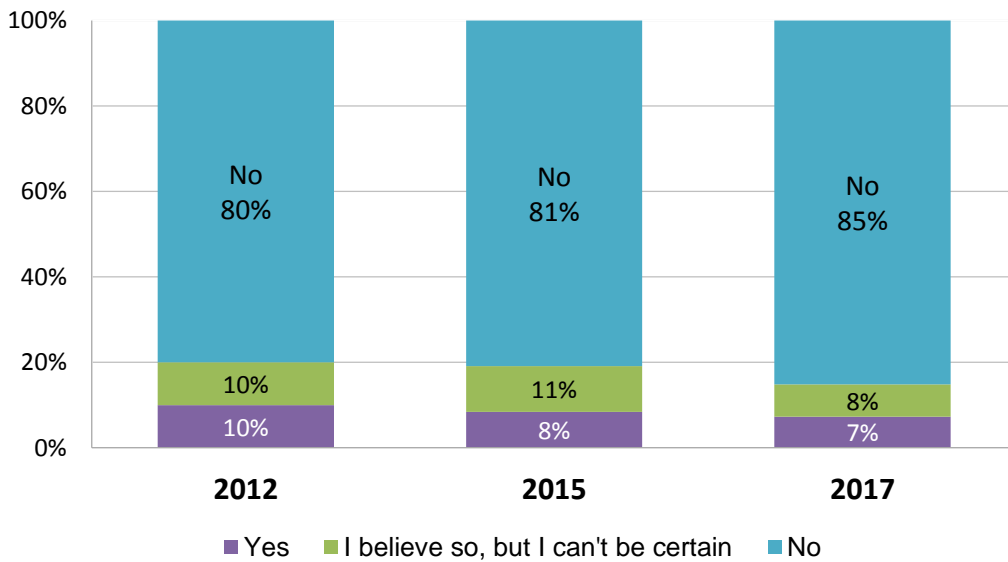
The following questions assess perceptions of misconduct in relation to actual experienced or observed misconduct.

<sup>3</sup> Additional findings related to retaliation are noted on pages 22 and 23.

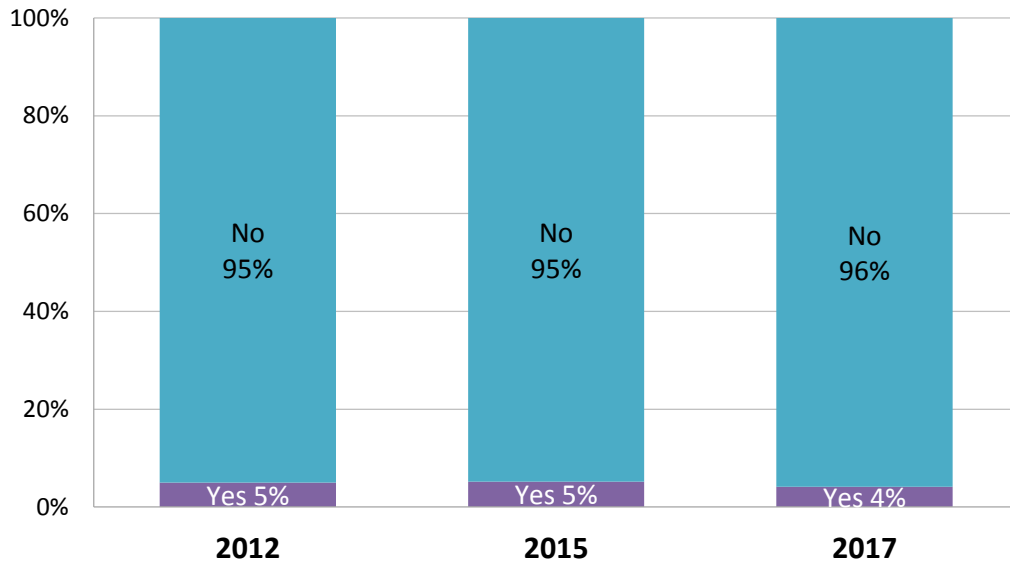
**I directly experienced or observed repeated, extremely disrespectful or unprofessional behavior in the workplace by a supervisor within the last 12 months.**



**I directly experienced or observed a violation of law/regulation, university policy or our Code of Conduct within my area in the last 12 months.**



**I was asked to bend, break or circumvent laws, regulations and/or university policies during the last 12 months by someone in my department.**



**For individuals who observed misconduct [n=458 or 15% of all respondents]: How would you describe the misconduct you directly experienced or observed?**



## Conclusion

Those reporting (11% of all respondents) that they “experienced or observed repeated, extremely disrespectful or unprofessional behavior in the workplace by a supervisor” fell 6% from 2015. Employees who observed misconduct also fell 4 percentage points to 15% of all respondents. However, as in past years, a discrepancy remains between reported rates of “experiencing and/or observing misconduct” and those reporting being “directly asked to bend, break or circumvent laws, regulations or policy.” This implies that perceptions of misconduct may be greater than actual occurrences or that observing, or perceiving to observe, misconduct is more often the case than directly experiencing it. A similar conclusion was also reflected in the ICO’s *Annual Integrity and Compliance Report* which analyzed universitywide reporting statistics for FY2016.

In contrast, the *Global Business Ethics Survey* reported that 30% of employees nationwide observed misconduct in the workplace (and 33% observed misconduct globally). VCU’s significantly lower rate of 15% is a positive indicator of the VCU culture and of the *Ethics and Compliance Program’s* effectiveness.

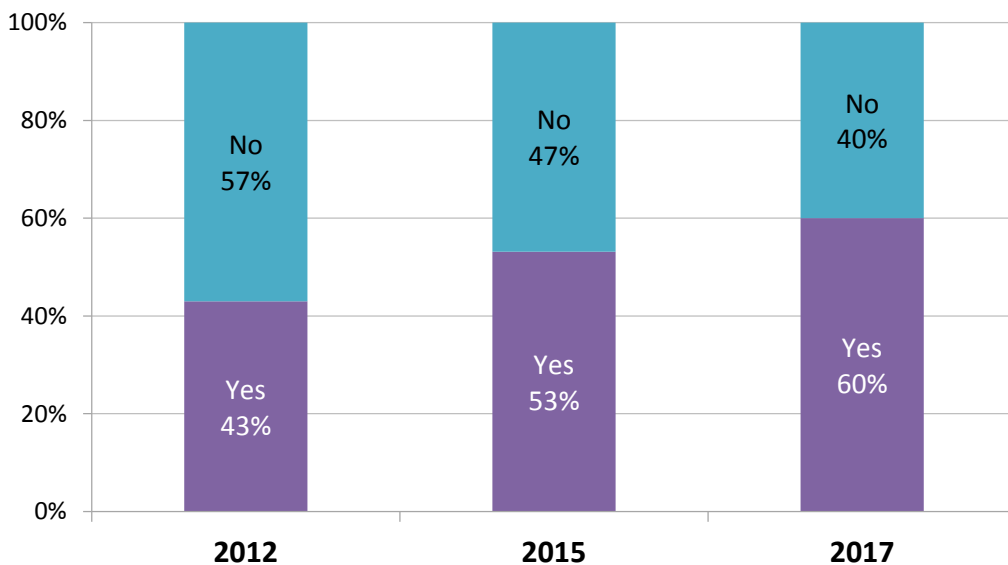
## Reporting of Misconduct

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Having individuals report misconduct internally is the preferred ultimate goal in order to maintain trust and to be as agile in responding as possible. The following charts illustrate additional follow up detail from the group of employees who reported experiencing or observing misconduct (15%).

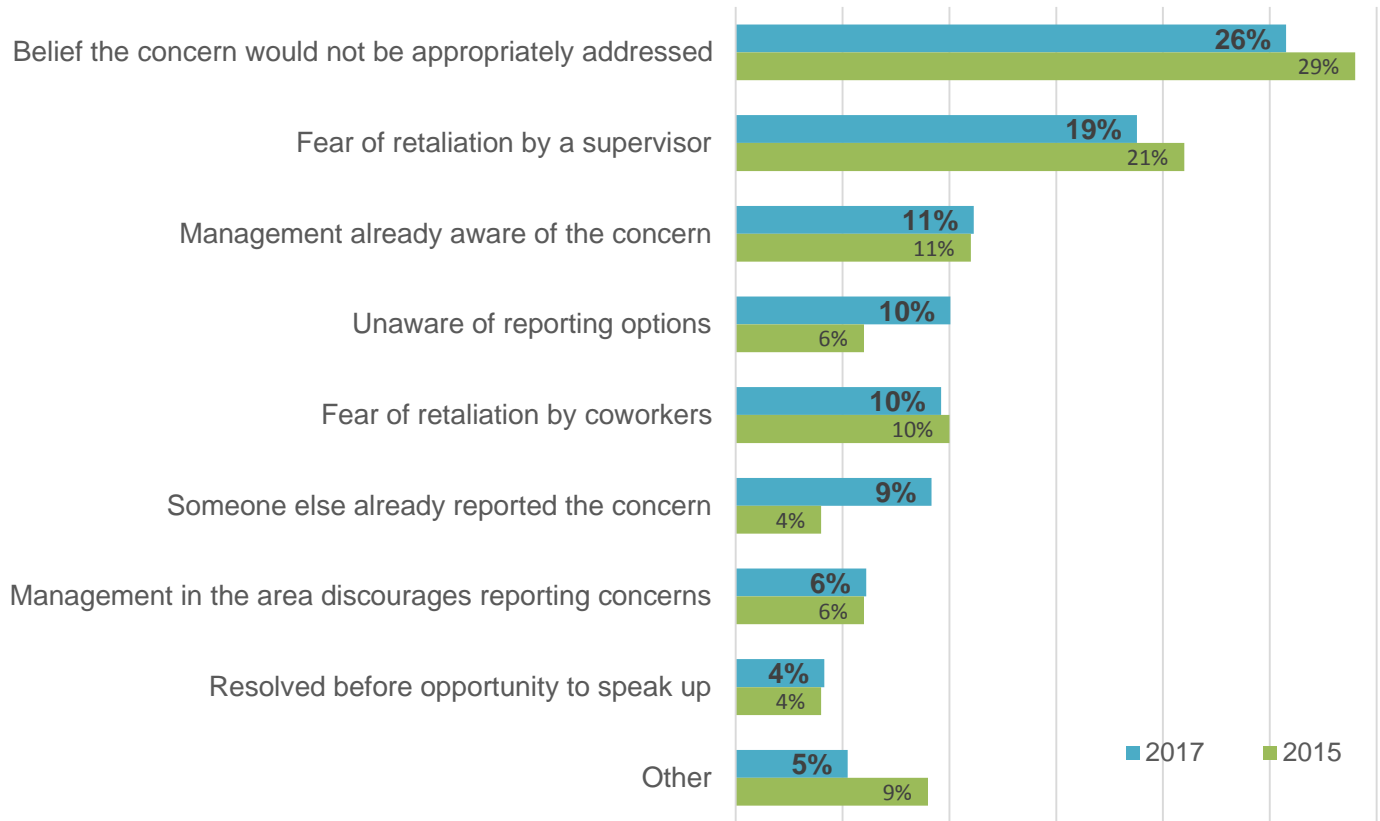
**For individuals who observed or experienced misconduct [n=458]: Did you voice your concern?**

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<sup>4</sup> This question was only asked if respondents replied “yes” or “I believe so but I can’t be certain” to “I directly experienced or observed a violation of laws, regulations or university policy in my office/department within the last 12 months.”

**For individuals who did not report the misconduct [n=181 or 6% of all respondents]: Why didn't you report your concern?**



**Conclusion**

Sixty percent of employees responded that they chose to report the misconduct that they experienced or observed in the last 12 months. This is an increase of 7% from the 2015 survey.

The top three types of misconduct reportedly observed by 15% of all respondents (or n=458) are:

- Intentionally not following laws, regulations or policy (37% or n=171)
- Repeated extremely disrespectful or unprofessional behavior by a supervisor (35% or n=161)
- Abusive or intimidating behavior by a co-worker (28% or n=127)

For outside perspective, consider the most common types of reported misconduct published in the *Global Business Ethics Survey*:

- Abusive/intimidating behaviors by a co-worker (22%)
- Intentionally lying to employees or customers (22%)
- Decisions or actions taken to benefit an employee over the interests of the organization (19%)

This cycle, the belief that a reported concern would not be appropriately addressed (26% or n=47) was cited as the number one reason employees chose not to report their concerns (down from 29% in 2015),

followed by fear of retaliation by a supervisor at 19% (n=34). Additional analysis of this data reveals that 24% (n=43) of employees who did not report their concern attributed this to one of the following:

- The issue was resolved before the employee had the opportunity to speak up
- Someone else already reported
- Management was already aware

Of those who observed misconduct at VCU (n=458), a majority of this sub-population (60% or n=277) chose to report their concern. While this is an 7% increase in reporting for VCU since last cycle, 60% remains notably lower than the 76% of U.S. employees metric in the *Global Business Ethics Survey*, indicating that managers and supervisors would likely benefit from increased training on handling reported concerns to reduce the perception that concerns are not appropriately addressed. Additionally, reporting options and the university's anti-retaliation policy may need to be more broadly communicated. All of these topics were recently addressed in the 2016 Integrity and Compliance Education modules due in December 2016. This education effort in combination with planned supervisor/management targeted initiatives is expected to positively impact these metrics between now and the 2019 survey.

## Organizational Justice

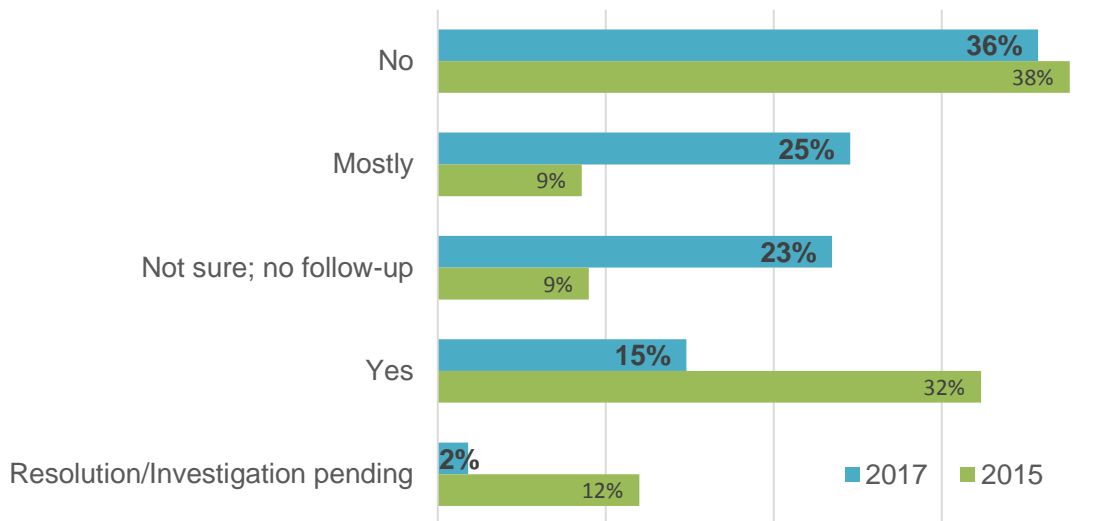
Organizational justice refers generally to employee perceptions of fairness in the workplace. This section of the survey aim to measure satisfaction of issue response and resolution and inquire as to feelings and perceptions related to conduct in the workplace after voicing concerns. Measuring these components is critical to understanding more about what is, or is not, reported *and why*.

### Appropriateness of Resolution and Follow-up

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Fair and consistent corrective action in response to reported concerns is a foundational element to an effective ethics and compliance program. Employee perception that reported concerns are addressed appropriately also drives propensity to voice concerns and encourage others to do so, and thus is a key indicator of an ethical workplace culture. The following charts illustrate perceptions of the 60% of respondents [277] who reported concerns over the last 12 months.

### For individuals who reported misconduct [277]: Was the matter properly resolved?



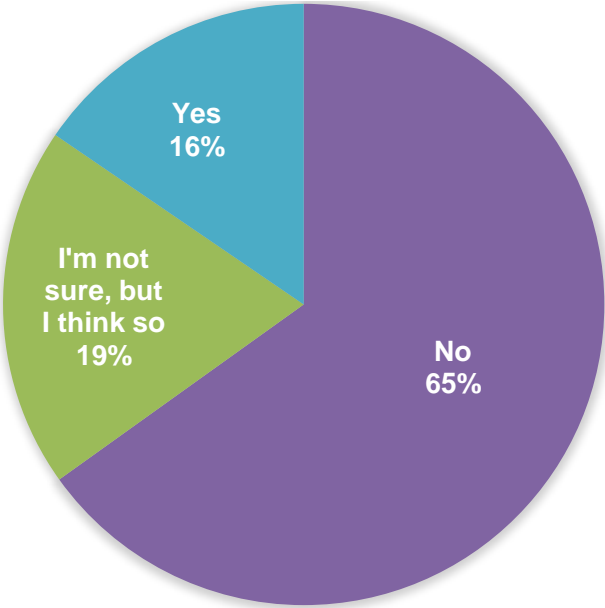
### Conclusion

Of those individuals who reported misconduct (n=277), 40% (n=109) felt the matter was fully or partially resolved; 23% (n=65) were unsure; and 36% (n= 99), were unsatisfied with the resolution. It is suspected that the unsatisfactory and unsure rate is likely attributable to the fact that communication of the resolution is limited when related to personnel action. Additionally, little or no follow-up is also a contributor, which illustrates an opportunity for additional education on appropriate response to employees by management when concerns are reported.

### Perceptions of Retaliation in Response to Voicing Concerns

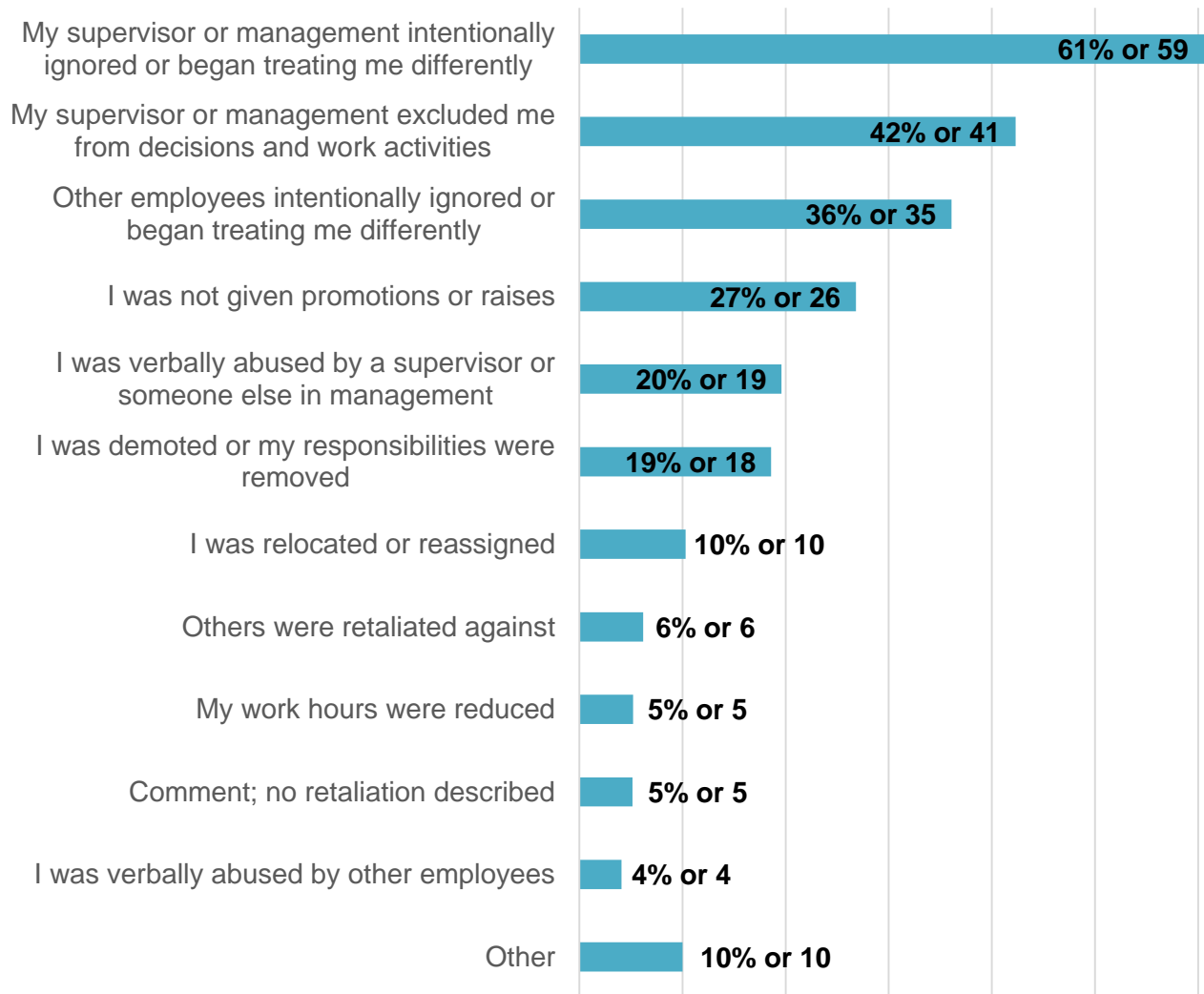
Employee perception that retaliation occurred in response to voicing concerns can be detrimental to an organization's culture and to its effective ethics and compliance program, as employees usually respond by not reporting future incidents and sharing their negative experience with others. For this reason, the 60% of respondents who reported concerns, or n=277, were asked about whether they felt they experienced any type of retaliation for speaking up and if so, how did the perceived retaliation manifest.

For individuals who reported the misconduct [277]: Do you feel that you experienced any type of retaliation for speaking up?





**For individuals who reported the misconduct *and* reported experiencing retaliation [97]: Please describe the retaliation you may have experienced as a result of speaking up.**



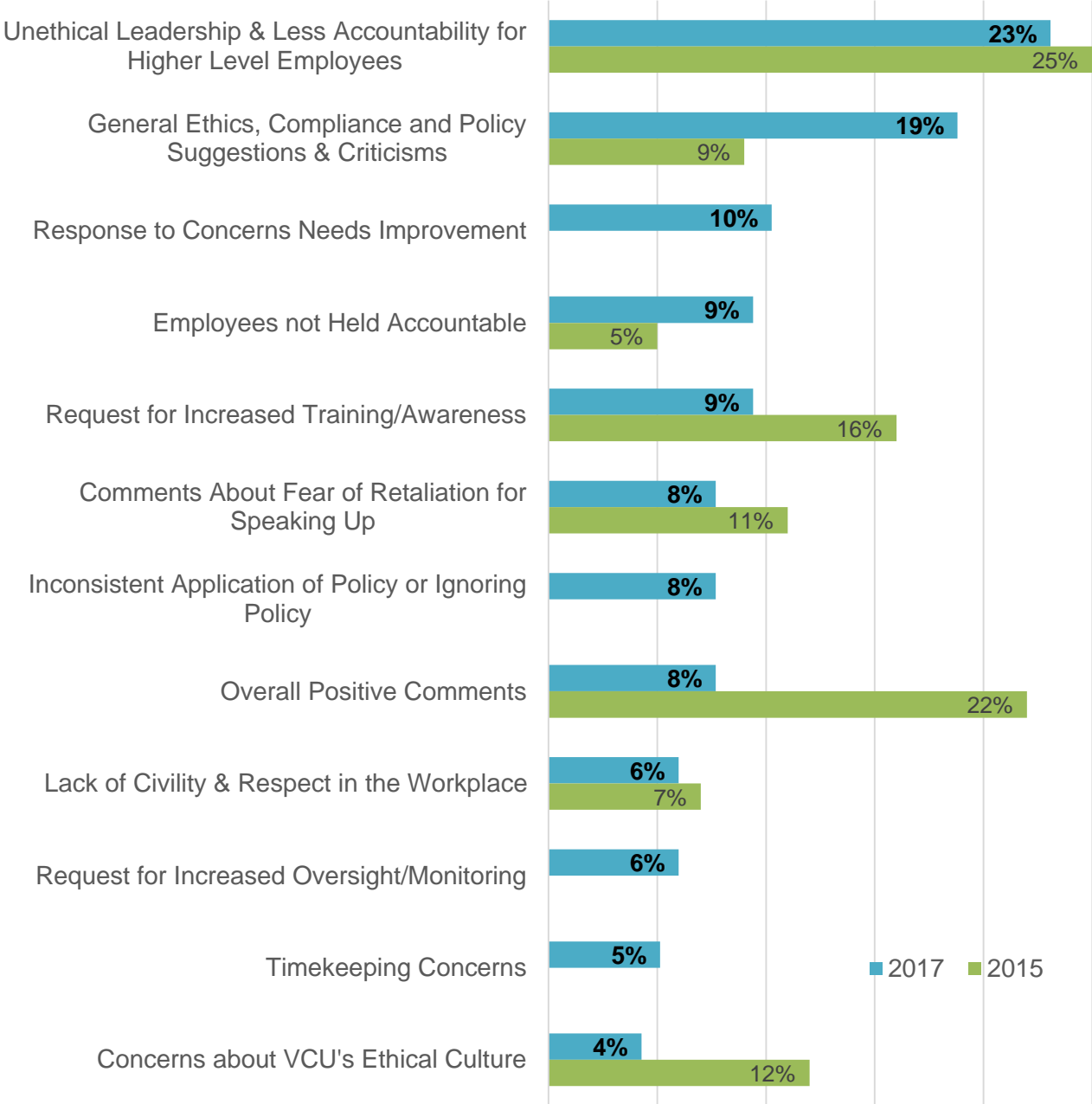
## Conclusion

As charted above, the respondents who voiced concerns and felt they were retaliated against for speaking up (at 16%) combined with suspected retaliation (at 19%) accounts for a sub-population total of 35% (n=97) which is 3% of all respondents. For perspective external to VCU, the *Global Business Ethics Survey* found that 53% of reporters in the U.S. felt they were retaliated against (36% globally). The most common type of retaliation described was a supervisor ignoring or treating an employee differently (61%), followed by supervisors/management excluding employees from decisions and work activities (42%). This data suggests that supervisors and management would benefit from increased training on avoiding retaliation and the appearance of retaliation. As noted in the *Reporting of Misconduct* section above, this topic was recently covered in training in December 2016. This education, in combination with planned messaging over the next year, is expected to positively impact these metrics between now and the 2019 survey.

## Overall Themes of Comments Shared Related to our Environment

### Open Text Comments Analysis – Covering 2 Survey Cycles

Employees had the opportunity to share comments related to an ethical and compliance environment at VCU in an open-ended text field. A total of 117 substantive comments were shared, representing 4% of survey respondents. General themes from these comments are as follows:



## Conclusion

While the number of comments shared this cycle compared to last cycle remained steady, the number of *substantive comments* has dramatically reduced from 338 to 117. This is likely attributable to an intentionality in the 2017 survey question design, based largely in part from the 2015 cycle's feedback. In the prior cycle, feedback indicated a misunderstanding that the final open comment question was optional; therefore, this cycle an obtuse demarcation of 'optional' was added and may explain the decline in substantive comments and perhaps in positive comments (dropping 14%). Additionally, based on prior results, specifically designed skip logic questions related to reporting concerns and retaliation enhanced this cycle's opportunity to measure individuals' perceptions in the survey questions in order to obtain feedback in question design throughout the survey; therefore resulting in respondents knowing their impressions were previously captured and perhaps further resulting in little need to re-iterate in an open comment field.

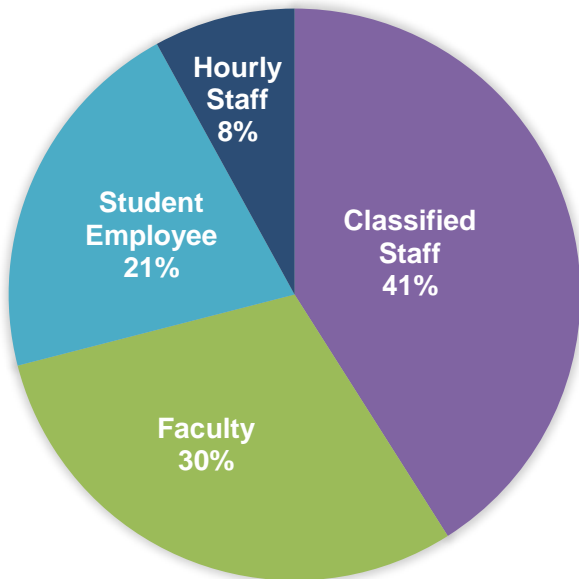
The chart above demonstrates unethical leadership decisions and less accountability for higher-ranking employees remained the most commonly mentioned topic. New themes that emerged in 2017 are inadequate addressing or follow-up to reported concerns; supervisors inconsistently following policy or ignoring policy when inconvenient; and concerns related to reporting time/leave incorrectly.

# Appendix

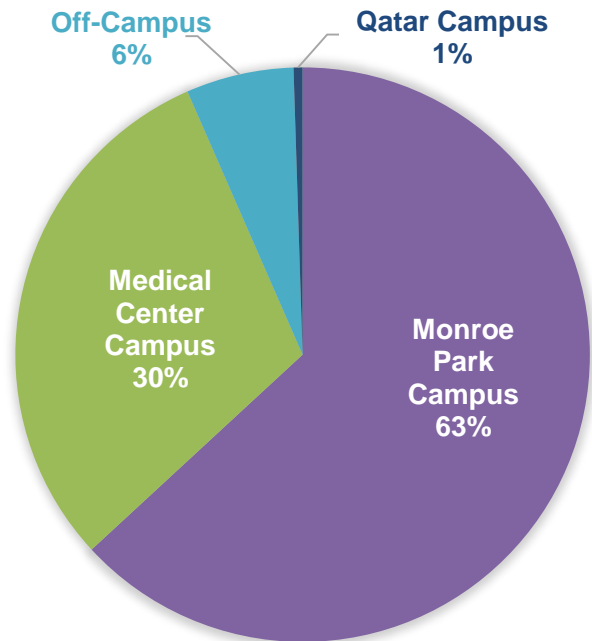
## Demographics

All employee types, major budget units, campus locations and years of service are represented in this year's survey. Below is a breakdown of respondents based on these criteria.

The following best describes my job title or duties:



I am primarily located on the:



I have been employed by VCU for:

