



# VCU

Integrity and Compliance

## **ASSESSMENT: ETHICAL CULTURE & PERCEPTIONS SURVEY**

May 2019

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*The Integrity and Compliance Office conducts this survey every two years to assess employees' perceptions of VCU's ethical culture in order to measure program impact and plan future initiatives.*

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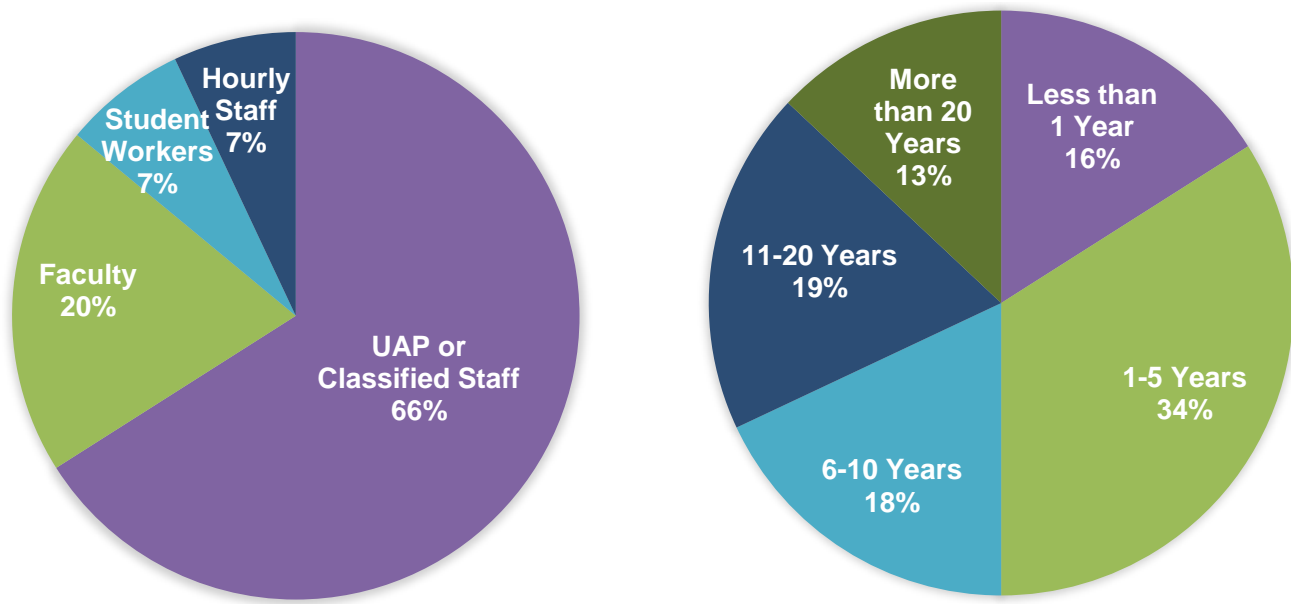
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# Executive Summary

Since 2010, the Integrity and Compliance Office (ICO) has conducted a biennial survey assessing employee awareness of certain resources; perceptions of integrity and compliance in the workplace; and comfort level related to speaking up to raise concerns or make inquiry when clarity is needed. The survey serves as one mechanism to identify and measure drivers (also referred to herein as key performance indicators) of ethical conduct, opportunities to strengthen workplace culture, and effectiveness indicia of VCU's Ethics and Compliance program. Noted throughout are comparisons to benchmark statistics from the 2018 *Global Business Ethics Survey* (GBES), the leading longitudinal, cross-sectional study of workplace conduct from the employee's perspective.

Survey results are widely distributed, beginning with the Board of Visitors Audit, Integrity and Compliance Committee, VCU's Compliance Advisory Committee, University Council, cabinet and other key stakeholder groups. This communication pathway ensures that leaders and compliance partners understand findings and are equipped to implement strategies for improving our ethical culture.

This assessment is made possible by 1,618 unique respondents representing **all** employee types and major budget units. This cross-section provides a comprehensive view of perceptions in the environment with a weighted representation from the grouping: University and Academic Professionals and Classified Staff and those working here between 1-5 years. Additional demographic details are included in the appendix.



Overall, results are positive and demonstrate the university's commitment to accountability through ongoing measurement and response to the voice of the university community. Results show that expectation-setting and reporting resources remain well-known, and individuals continue to speak up. Along with a generally healthy ethical environment, results also identified opportunities for reflection and

consideration of responsive strategies, which also align with the recommendations made by Ethisphere in the recent [effectiveness review of VCU's Ethics and Compliance Program](#):

- Managers would likely benefit from increased training, especially related to handling reported concerns
- Increased incentives to handle concerns appropriately (e.g., consideration for performance reviews, bonuses, promotion, etc.)
- Better communicate policies promoting ethical expectations in a civil and professional working environment to increase awareness levels
- While these topics continue to be covered in annual training requirements and other awareness initiatives from central offices (ICO, DIE, HR, EAS, etc...), messaging from direct managers and senior leadership is needed to increase ethical outcomes (e.g., reporting of concerns, retaliation, rates of misconduct, pressure to compromise standards)

New questions this cycle — prompted by both industry best practices and prior survey results — are related to:

- Clarity of the Code of Conduct and universitywide policies
- Values-based decision-making
- Respecting students
- Sources of pressure to compromise expectations

Key performance indicators are highlighted below along with a brief summary of notable results. Following this summary, the *Detailed Survey Results, Analysis and Suggested Strategies* section provides relevant supporting data.

### Awareness of the Program and Resources (beginning on page 5)

#### Measures familiarity with resources (including university policies).

**New questions this cycle:** I believe that VCU Policies are clearly written and easy to understand; I believe the VCU Code of Conduct clearly communicates expectations.

- > Familiarity with resources remained consistent with 2017 survey results with 4 out of 5 respondents agreeing that policies are clearly written and easy to understand.
- > Familiarity with policies promoting a civil and professional working environment and anti-retaliation fell 7%, matching the 2015 level (77%).

These results are most likely attributable to ICO awareness and education initiatives— comparable to the past survey cycle— 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. Additionally, awareness and training surrounding the initial launch of the HR Redesign and its related policies have slowed. A new policy

codifying ethical standards was approved in December 2018. These changes may be contributing to the drop in familiarity with policies promoting a civil and professional working environment.

### Perceptions of Employees and Environment (beginning on page 8)

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

**New questions this cycle:** VCU's core values drive my decisions; VCU's core values drive decisions made by others in my area; my area treats students with dignity and respect.

- > Agreement that employees demonstrate integrity and ethical behavior in performance of duties remained consistent with the 2017 survey.
- > 91% agreed their area treated students with dignity and respect. The remaining 9% were not concentrated within any one area.
- > 73% of respondents agreed that VCU's core values drive decisions made by others in their area and 83% agreed that the core values drive their decisions. This discrepancy is expected as, psychologically, individuals often rate themselves higher or better than others in surveys. This aligns with VCU norms created by prior survey responses.

Themes compiled from an open-text field question provided an opportunity to share any additional perceptions or integrity or compliance comments/concerns; a solicitation for suggestion to improve our culture; what topics there is a desire to learn more about or any specific rationale for agreement levels in prior survey responses. The aim is to remain inclusive and responsive to the university community in ways that resonate.

### Observing and Reporting Misconduct (beginning on page 11)

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

Responsive questions addressed whether concerns were reported and subsequently why respondents declined to report.

**New questions this cycle:** The follow-up question, "describe the source of pressure" was presented if a respondent indicated they felt pressure to bend, break or circumvent expectations.

- > Respondents expressed less confidence that they would be protected from retaliation, regardless of reporting to a manager, central office or through the Helpline. Reporting to a central office had the greatest drop, of 9%, from the prior cycle and remains the least trusted reporting pathway in regard to retaliation.

- > There was a slight increase (of 4%) from the last cycle in observed or experienced misconduct at 19%; however, this rate remains low in comparison to the national average of 30% reported by the 2018 GBES.

#### The most common types of misconduct observed at VCU:

- **41%** Intentionally not following laws, regulations or policy (n=127)
- **40%** Repeated extremely disrespectful or unprofessional behavior by a supervisor (n=124)
- **36%** Abusive or intimidating behavior by a co-worker (n=111)

#### The most common types of reported misconduct noted in the GBES benchmark:

- **26%** Intentionally lying to employees or stakeholders
- **21%** Abusive/intimidating behaviors by a co-worker
- **15%** Decisions or actions taken to benefit an employee over the interests of the organization

### Organizational Justice (beginning on page 17)

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

**New question this cycle:** As a manager, I have received adequate training to successfully manage and support my employees.

- > 75% of managers feel they have received adequate training on successfully managing employees
- > 16% of respondents offered substantive comments, more than double from the 2017 survey. One in five comments included either:
  - A positive remark
  - General concerns about the culture
  - Criticisms or suggestions related to ethics, compliance or policy
- > There was a 9% decrease within the subgroup of respondents who reported misconduct and their belief that what was reported was fully or partially resolved. This subgroup contains 125 individuals which is 12% of the respondent population.

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 the appropriate response to employees by management when concerns are reported.

# Detailed Survey Results, Analysis and Suggested Strategies

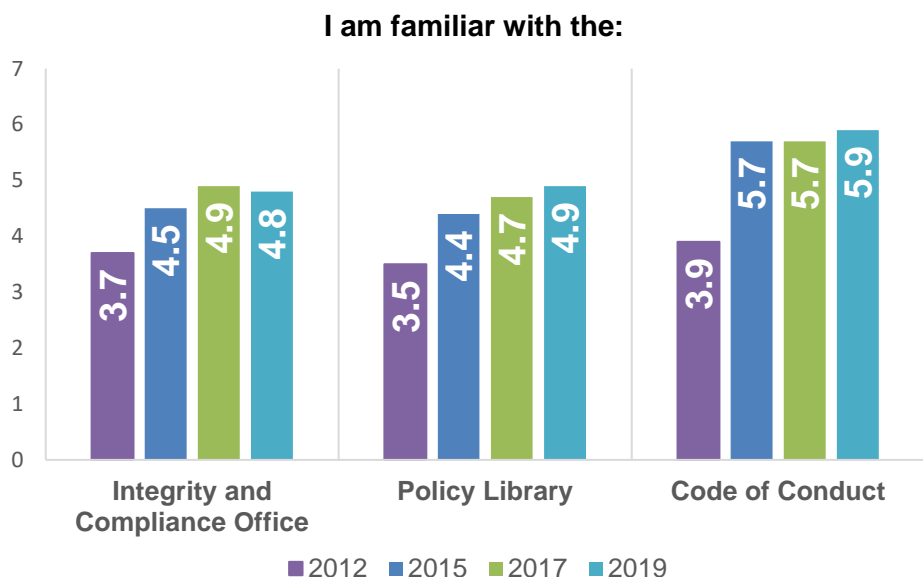
The following sections contain survey results and conclusions organized into the following themes:

Awareness of the Program and Resources	Perceptions of Employees and Environment	Observing and Reporting Misconduct	Organizational Justice
<ul style="list-style-type: none"><li>•Familiarity with ethics and compliance related resources</li><li>•Familiarity with VCU's policies</li></ul>	<ul style="list-style-type: none"><li>•Perceptions of ethical conduct in the workplace</li><li>•Trust between managers and their employees</li></ul>	<ul style="list-style-type: none"><li>•Comfort-level with raising concerns</li><li>•Observation of misconduct</li><li>•Reporting misconduct</li></ul>	<ul style="list-style-type: none"><li>•Appropriate resolution and follow up</li><li>•Perceptions of retaliation in response to voicing concerns</li></ul>

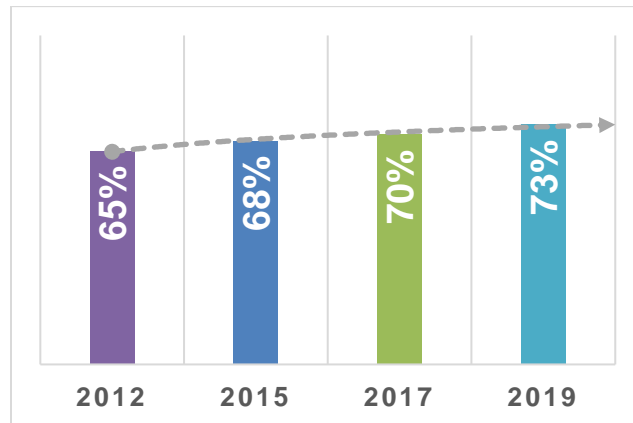
## Awareness of the Program and Resources

### Familiarity with Integrity and Compliance Related Resources

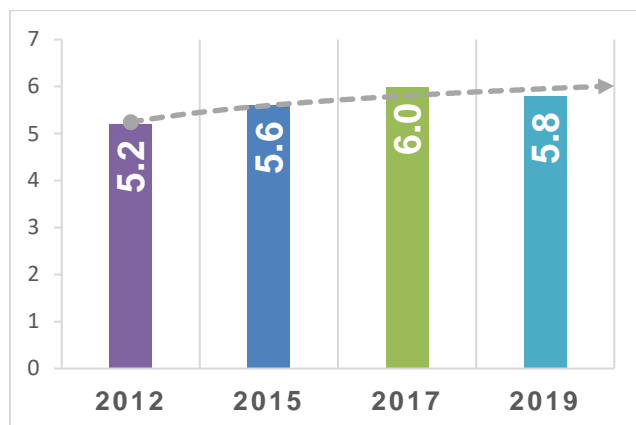
The Integrity and Compliance Office (ICO) serves as a resource to the university community, providing guidance and tools such as the VCU Code of Conduct, Policy Library and VCU Helpline. The following questions measure familiarity with these resources and help determine where to focus ICO awareness and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



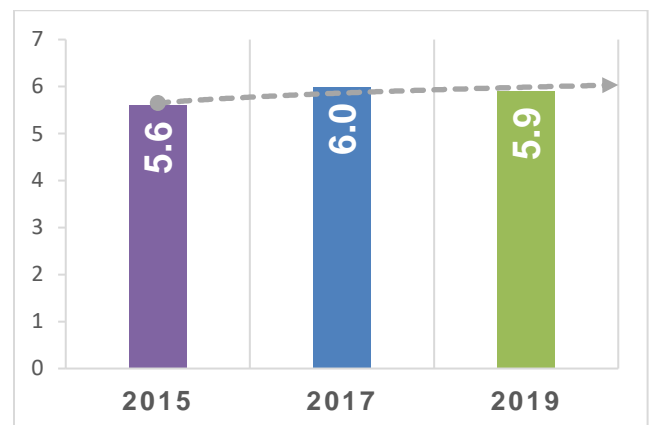
**I am familiar with the VCU Helpline for anonymously voicing concerns or asking questions?**



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



Familiarity with the Policy Library grew from 63% in 2017 to 67% this year. This metric is expected to continue to improve as the Policy Program is further developed, promoted and utilized.

Familiarity with the ICO (64%), VCU Helpline (73%) and *VCU Code of Conduct* (87%) was consistent with past years. Most notably, there was a 9% increase in the *7-very familiar* response for the Code of Conduct. This, coupled with 88% agreeing that the Code clearly communicates expectations, indicates a greater awareness and understanding of employee expectations. This is also reflected by VCU's substantiation rate for reported concerns, which has grown from 40% in FY 2017 to 72% in FY 2019.

Familiarity of resources likely remained constant from the 2017 survey due to the ICO's comparable education and outreach initiatives (which included training presentations, compliance week activities, informational tables at VCU sponsored events, and participation in several collaborative committees and

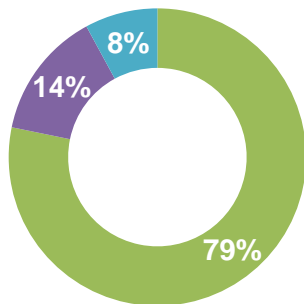


workgroups). New approaches to awareness efforts are slated throughout FY2020, with the goal of nudging *familiarity of resources* upward using available existing resources.

### Familiarity with Policies

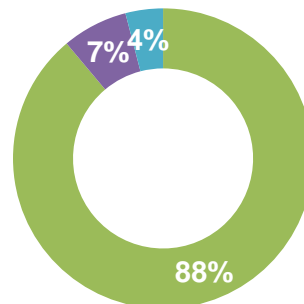
Respondents were asked about awareness, familiarity and clarity of policies and procedures. The purpose of these questions was to evaluate the ease of use and availability of information needed to accomplish goals in accordance with VCU’s expectations.

**NEW** I believe that VCU Policies are clearly written and easy to understand.



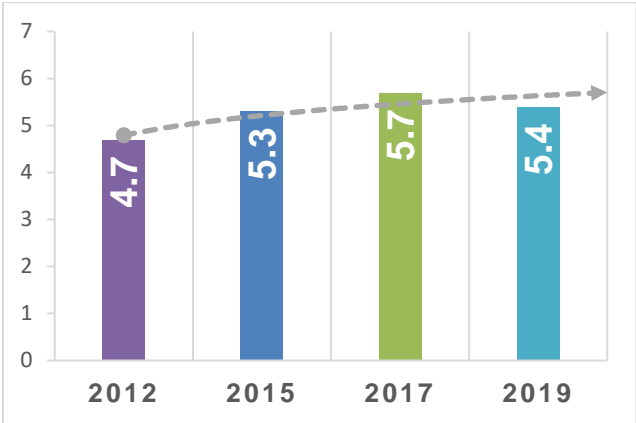
Agree Neither agree/disagree Disagree

**NEW** I believe the VCU Code of Conduct clearly communicates expectations.



Agree Neither agree/disagree Disagree

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



Familiarity with policies promoting a civil and professional working environment and anti-retaliation fell 7%, bringing familiarity back to 2015 levels (77%). This survey result is of concern since the *Expectations of Ethical Conduct* policy was recently approved and communicated (December 2018). In collaboration with senior leadership, the ICO will focus future communications on applications of this policy and other related policies to increase awareness and application of these behavioral standards. However,

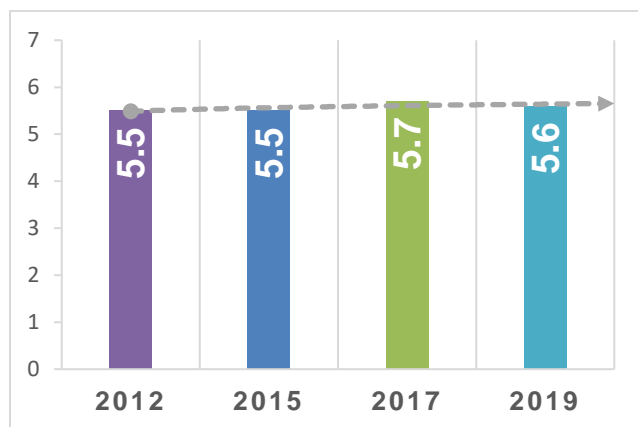
measurable progress is dependent on area managers and others in leadership positions doing the same. Research has shown that communicating about the importance of ethics through real incidents and instances of addressing misconduct reinforces the importance of policies and holding employees accountable.

## Perceptions of Employees and Environment

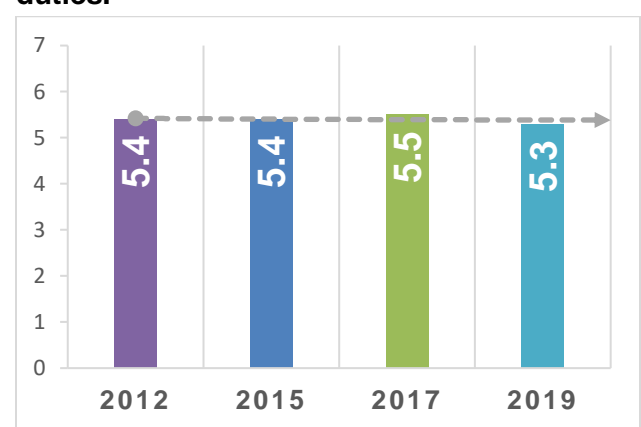
### Perceptions of Ethical Conduct in the Workplace

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

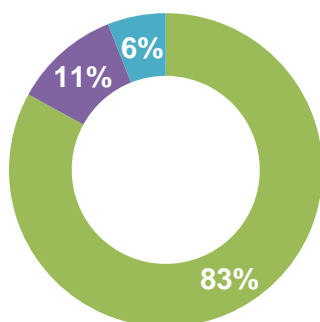
I believe that most employees at VCU demonstrate integrity and ethical behavior in performance of their job duties.



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

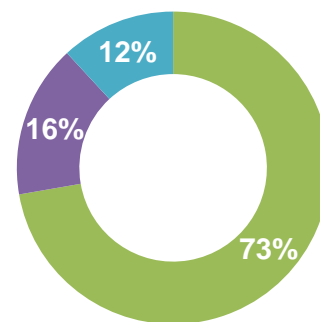


**NEW** VCU's core values drive my decisions.



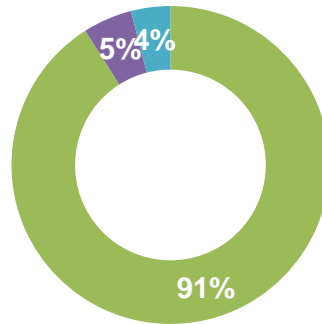
■ Agree ■ Neither agree/disagree ■ Disagree

**NEW** VCU's core values drive decisions made by others in my area.



■ Agree ■ Neither agree/disagree ■ Disagree

**NEW** I believe that my area treats students with dignity and respect.



■ Agree ■ Neither agree/disagree ■ Disagree

Agreement that most employees demonstrate integrity and ethical behavior in the workplace remained consistent from 2017; however, there was a 6% drop in the *7-strongly agree* response when respondents rated those in leadership positions. On its face, this is not an overtly negative result; however, this change will be monitored through other data sources to ensure early detection of any potential negative or positive trend. Leadership is encouraged to weave in VCU's core values and mission statement application when explaining, communicating or making decisions. This promotes transparency in the decision-making process and may help to counteract negative perceptions. This also strengthens the ethical tone from the top and exemplifies how organizational ethics fuel thought processes.

Looking at the two new questions related to values-based decision making, it is not surprising that 73% of respondents agreed that VCU's core values drive decisions made by *others* in their area while 83% agreed that the core values drive *their* decisions. This demonstrates employees may be overconfident in their own ethical-decision making; thus, mirroring findings from decades of research related to the effect known as the overconfidence bias. For example, a recent research survey found 50% of respondents believed they were in the top 10% ethically, which is statistically impossible (Di Miceli da Silveira, 2018).<sup>1</sup>

Perception also has a real impact on ethical culture. The *Global Business Ethics Survey* (GBES) found that when people are encouraged to base decision-making on organizational values and standards favorable ethics outcomes (e.g., increased reporting of concerns, less retaliation, lower rates of misconduct, reduced pressure to compromise) are increased by 11x. Per GBES, one example of this is the number of voiced concerns rising by 94% when top management verbally promotes workplace integrity. The significance of this at VCU is further explored in the *Observing and Reporting Misconduct* section of this report.

This year's survey also asked whether the respondent believed their area treated students with dignity and respect. The overwhelming majority agreed in the positive with only 4% disagreeing. Of this 4%, no

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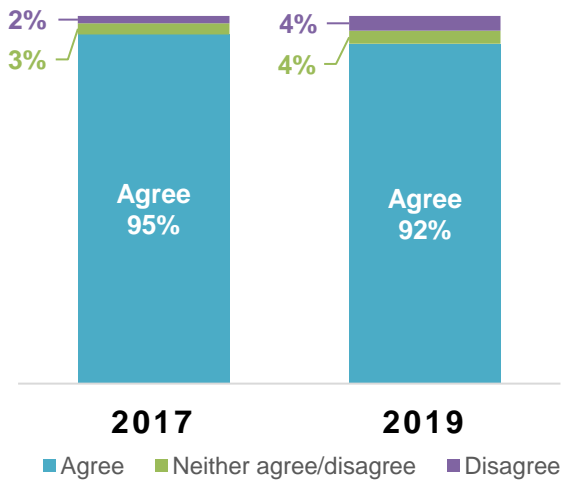
<sup>1</sup> Silveira, Alexandre Di Miceli da. *The Virtuous Barrel: How to Transform Corporate Scandals into Good Businesses via Behavioral Ethics*. 2018.

specific school or unit stood out; however, most areas disagreeing were located within the Office of the Provost or one of the schools/colleges that report up through the Provost. It may be that these areas or more indicative of actual culture in this area since these areas have more frequent interaction with students in comparison to other units. This will be monitored in other data sources for trends in either direction.

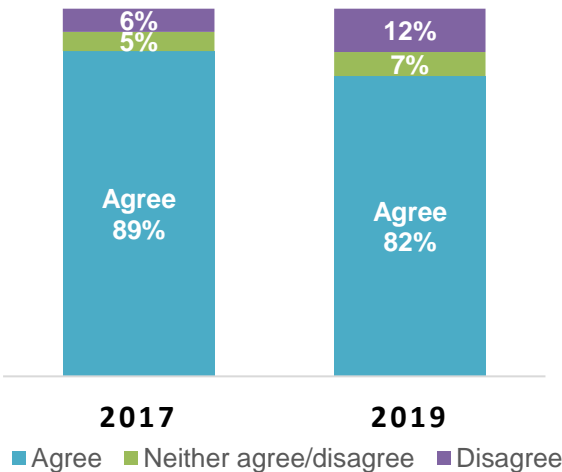
### Trust Between Managers and Their Employees

These questions measure the level of trust employees feel with their direct manager, which impacts comfort in speaking up to establish clarity or to report concerns, demonstrating ethical conduct and accountability, and contributing to overall organizational health.

**My manager trusts me to do my job well and with integrity.**



**I trust my manager to support me in my role and follow through on promises and commitments.**



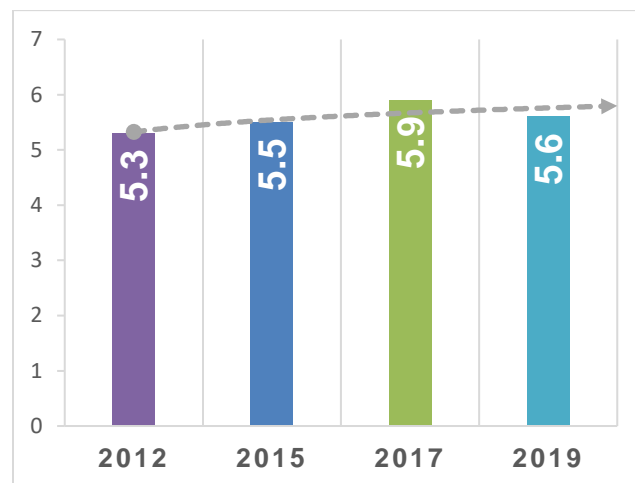
The *GBES* found that employees who felt their managers demonstrated accountability are almost 24x more likely to believe managers are open, honest and care about employees as people. At VCU, 92% of employees indicated that their manager trusts them to do their job well and with integrity, while 82% agreed that they trust their supervisor to support them and follow through on promises/commitments. While, this is a positive indicator of healthy relationships between employees and their direct manager (for reasons noted above in the *GBES*), the 7% decrease in agreement that managers will follow through on promises and commitments should be explored further.

## Observing and Reporting Misconduct

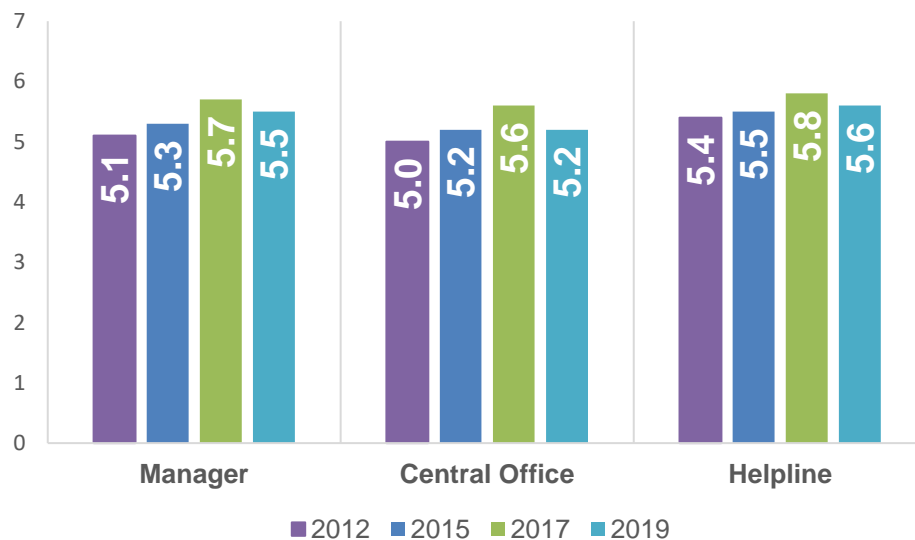
### Comfort Level with Reporting Concerns

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

**I feel comfortable reporting concerns to my manager.**



**I feel that I would be protected from retaliation if I report a concern to:**



Since 2017, respondents expressed less confidence that they would be protected from retaliation if reporting to a manager, central office or through the Helpline. Reporting to a central office had the greatest drop of 9% from the prior year and remains the least trusted reporting pathway.

Although fear of retaliation is a commonly cited deterrent to reporting concerns across all industries and is reflected at low levels in VCU's data (21 reporters noted fear of retaliation when reporting misconduct), the university receives very few allegations of actual retaliation or threat of retaliation (7 in the last two years) and none of these allegations were substantiated (and one is pending as of August 5, 2019). However, retaliation is often difficult to substantiate, is subjective and may not meet VCU's policy definition of retaliation.<sup>2</sup>

While substantiated retaliation is low at VCU, research has shown that perceptions drive behavior, which is why management's involvement in addressing this perception is paramount to easing fears (GBES). The 2018 GBES found ethical outcomes increased 14x when employees felt encouraged to speak up. Encouragement has been suggested by this research to be as simple as routinely asking for feedback or whether the employee has any concerns or questions about anything. This is in contrast to a traditional leadership approach of assuming employees will speak up without routine or pro-active invitation to do so. Other strategies include:

- Showing great appreciation (whether with words or more tangible incentives like spot or bonus awards) when an employee speaks up regardless of whether the concern is substantiated (as long as it has some merit)
- Publicly acknowledging when issues were raised, praising this behavior and sharing the resolution during staff/department meetings

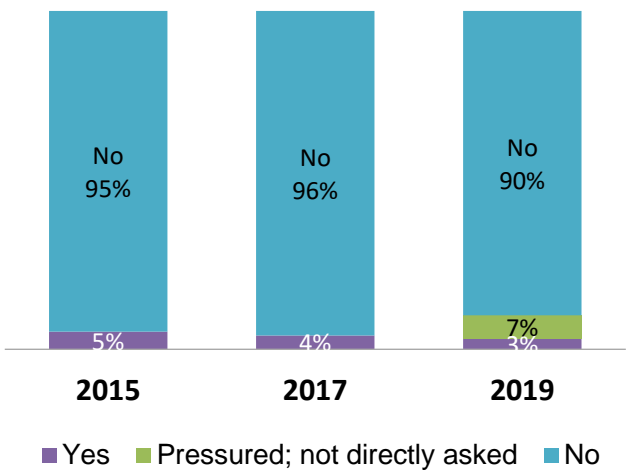
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<sup>2</sup> Additional findings related to retaliation are noted on pages 19-21.

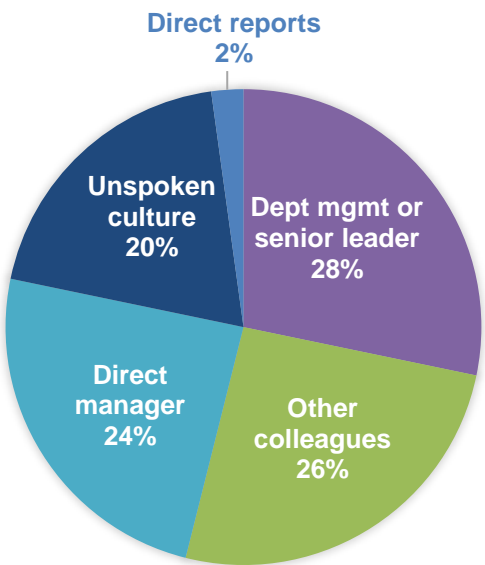
# Observation of Misconduct

The following questions assess perceptions of misconduct, whether experienced or observed.

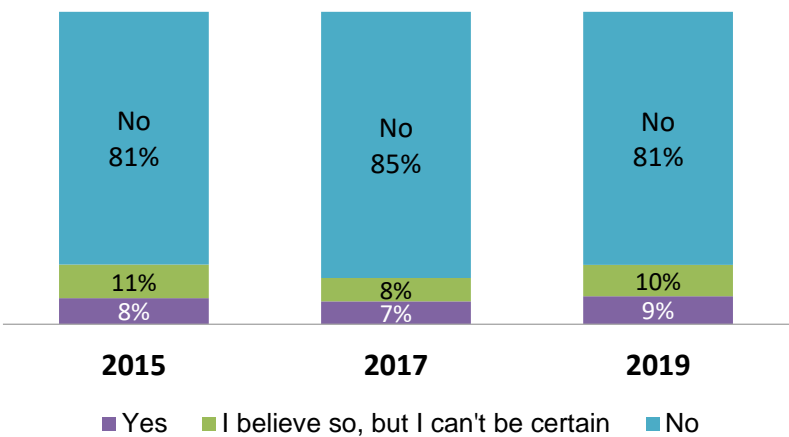
I was asked (or felt pressure to) bend, break or circumvent laws, regulations and/or university policies during the last 12 months by someone in my department.



Please describe the source of pressure.



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.



**For individuals who observed misconduct [n=308 or 19% of all respondents]: How would you describe the misconduct you directly experienced or observed?**



Respondents who observed misconduct increased 4%, returning to the 2015 level (19%). As in past years, a discrepancy remains between reported rates of “experienced and/or observing misconduct” and those reporting being “directly asked to bend, break or circumvent laws, regulations or policy.” This implies that respondents *observe* misconduct more often than they *experience* it themselves or perceptions of misconduct may be greater than actual occurrences.

Some suggested strategies to address *perceptions* of misconduct include:

- Ensuring process transparency and explaining the basis, or “the why”, of decisions
- Respecting shared governance by seeking input from everyone impacted by a decision
- Routinely and directly asking if individuals have concerns, questions or feedback
- Using the above strategies as guidance, initiating conversations with those who may have an unintended impression or impact

This cycle, we asked about perceived pressure to bend, break or circumvent the rules and from where that pressure stemmed. Seven percent, or 110 respondents, answered that they felt pressure. The source



of the pressure was evenly distributed among senior leaders/management, colleagues and their direct manager, with slightly less reporting that pressure was perceived from an unspoken cultural norm. This is an important element to continue tracking since the Global Business Ethics Survey has shown that as pressure to comprise rules rises, misconduct also increases:

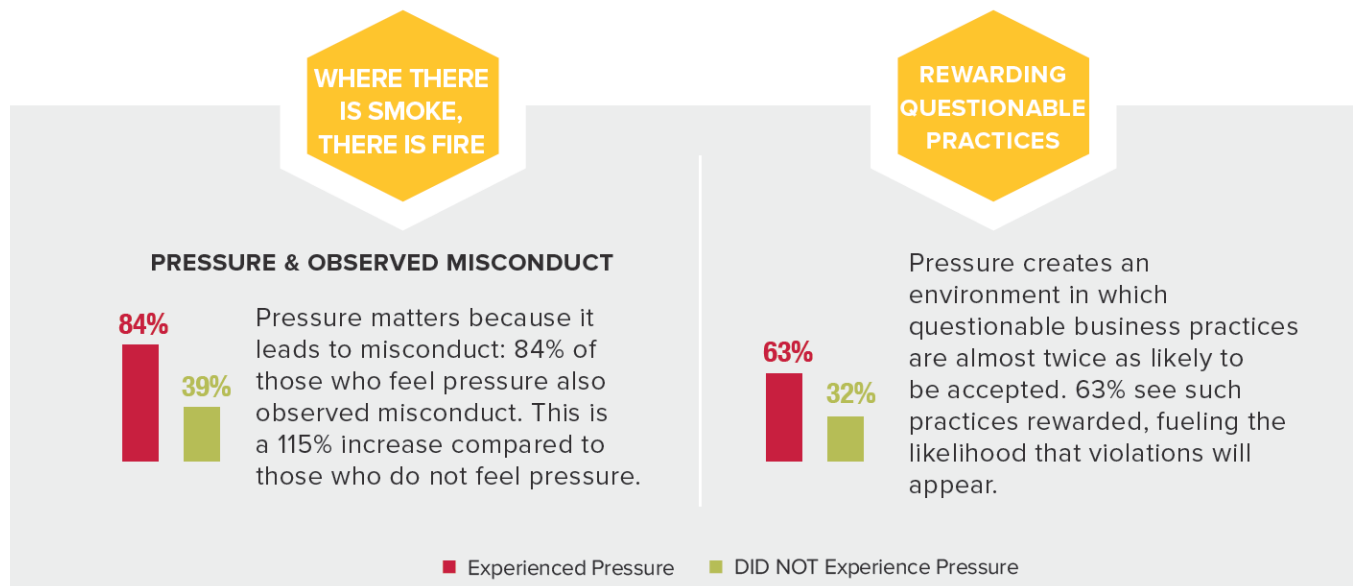


Figure 1: 2018 GBES

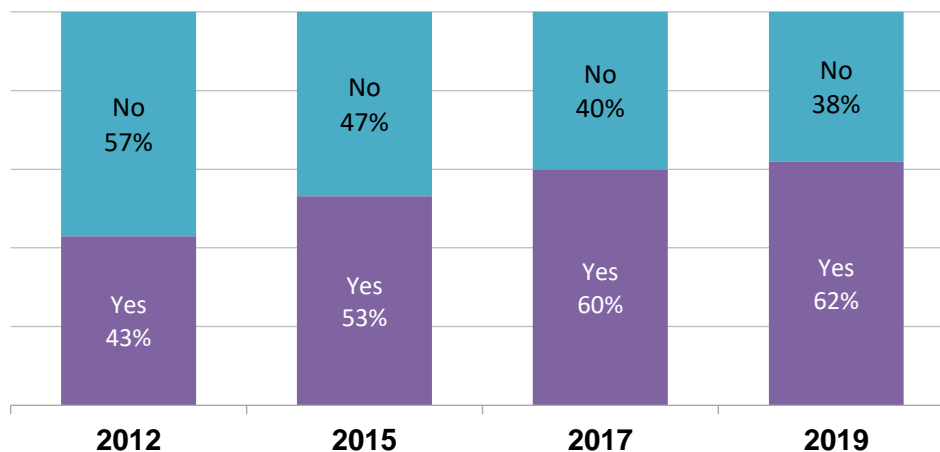
*Intentionally not following laws, regulations and policies* remains the most frequently cited type of misconduct observed, equating to 8% of all respondents. Eight percent of respondents also reported they *experienced or observed repeated, extremely disrespectful or unprofessional behavior in the workplace by a manager*, which is a decrease of 3% since 2017 (and 9% from 2015). This category remains the second most cited type of misconduct from the 2017 survey.

In contrast, the GBES reported that 30% of employees nationwide observed misconduct in the workplace. VCU's significantly lower rate of 19% is a positive indicator of the VCU culture and of the *Ethics and Compliance Program's* effectiveness.

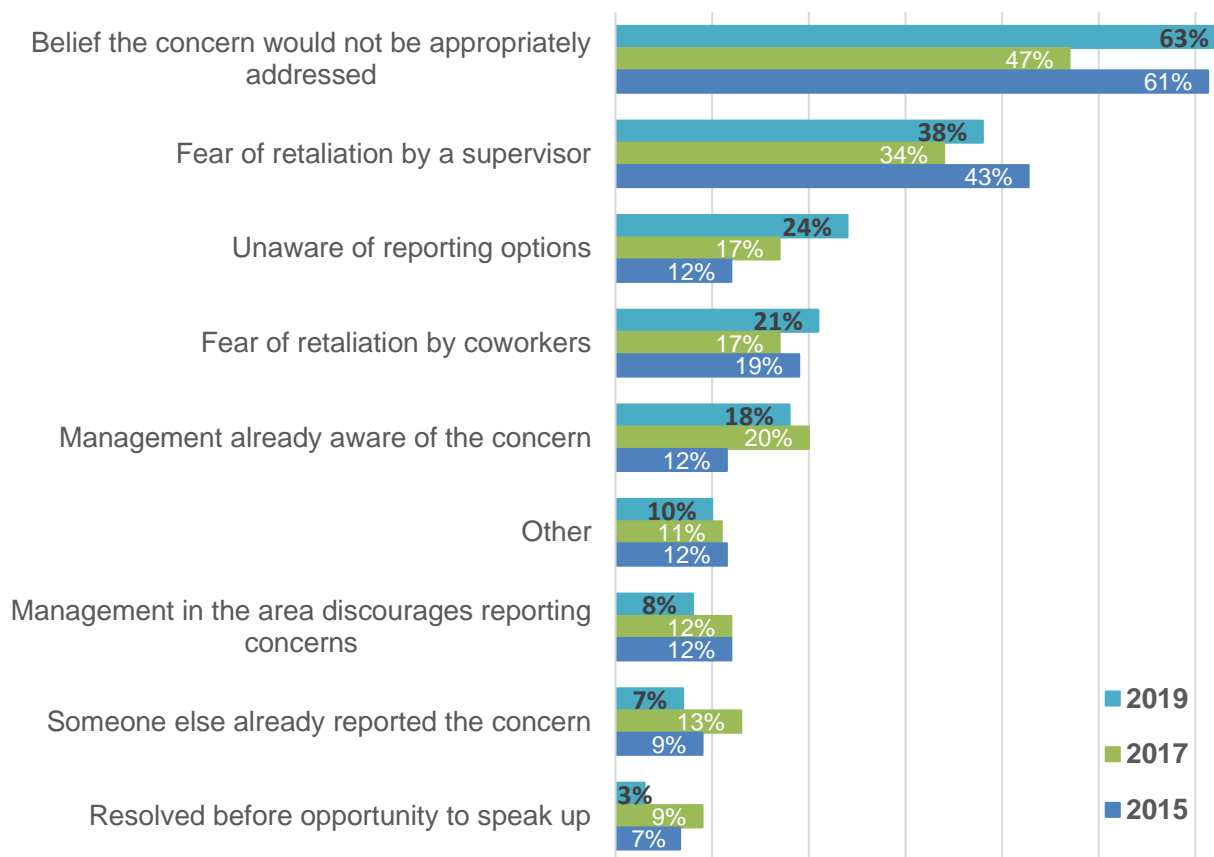
## Reporting of Misconduct

Reporting misconduct internally to VCU is the desired outcome for almost all organizations. Individuals reporting internally demonstrates existence of trust, a desire to have the organization self-correct, or provide clarity, and enables agility in responding and keeping costs related to addressing concerns down. The following charts illustrate the additional details provided by respondents who responded that they had experienced or observed misconduct in the last 12 months (19%).

### Did you voice your concern? <sup>3</sup>



### If not, why didn't you voice your concern? (n=119 or 6% of all respondents)



<sup>3</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.”

Sixty-two percent of respondents reported the misconduct they experienced or observed in the last 12 months. This is a slight increase of 2% from the 2017 survey, which is less than the benchmark reporting rate of 76% noted in the GBES.

This cycle, *belief that a reported concern would not be appropriately addressed* (63% or n=75) was cited as the number one reason employees chose not to report their concerns (up from 47% in 2017 and 61% in 2015). For external context, the GBES found 69% did not report concerns because they believed “corrective action would not be taken.” At VCU, this belief was followed by *fear of retaliation by a supervisor* at 38% (n=45) and *unaware of reporting options* at 24% (n=28).

Of those who observed misconduct at VCU (n=314), a majority of this sub-population (62% or n=195) chose to report their concern, which remains notably lower than the 79% benchmark in the GBES. The fact that these topics have been covered in annual Integrity & Compliance Education since 2013 indicates that other approaches are necessary to reduce the perception that concerns are not appropriately addressed.

Managers would likely benefit from the following suggested strategies:

- Stand-alone training on handling reported concerns
- Further incentives to consistently put the training they received on this topic into practice

Lastly, the ICO will continue to communicate reporting options and the university’s anti-retaliation policy and will begin more direct communication about results from reported incidents; however, additional messaging from leaders and managers promotes awareness and understanding.

## Organizational Justice

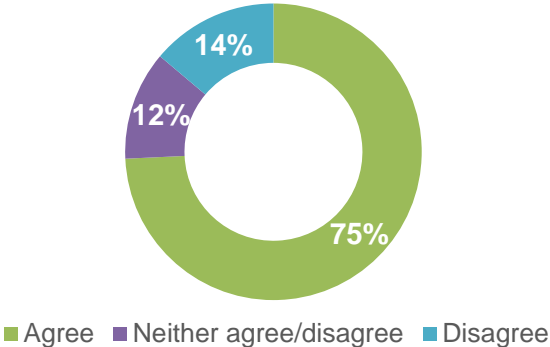
Organizational justice refers generally to employee perceptions of fairness in the workplace (more specifically related to outcomes, processes, information and treatment). The three distinct dimensions of organizational justice are procedural, distributive and interactional. This survey section aimed to measure satisfaction of issue response and resolution and inquired as to feelings and perceptions related to conduct in the workplace after voicing concerns, supporting procedural and interactional justice dimensions (the latter being a heavily weighted factor in assessing culture). Measuring and monitoring these components is critical to understanding more about what is, or is not, reported *and why*.

# Adequate Training to Support Employees

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Feeling prepared and supported by the university is critical for managers if they are expected to address employee concerns appropriately. Training on how to best manage and support employees in our environment, and in line with core values, is one key indicator of sufficient support and has been added this year to measure how the specific group of management feels about being in their role.

**NEW** As a manager, I have received adequate training to successfully manage and support my employees.



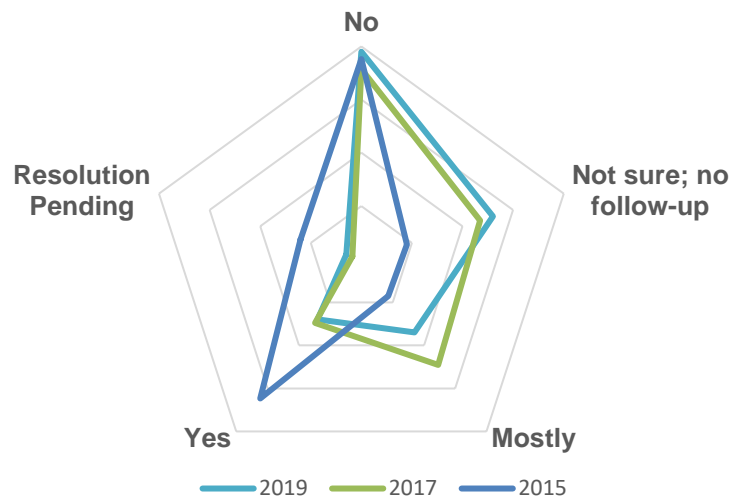
While the majority of managers felt they received adequate training to successfully carry out their management responsibilities, a quarter responded that this type of support is lacking at VCU. The ICO is already working with compliance partners throughout the university, including HR, to provide additional training and resources to managers. This metric is expected to trend positive as a result.

# 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 62% of respondents (n=195) who reported concerns over the last 12 months.

### Was the matter properly resolved? (n=195 or 12% of all respondents)



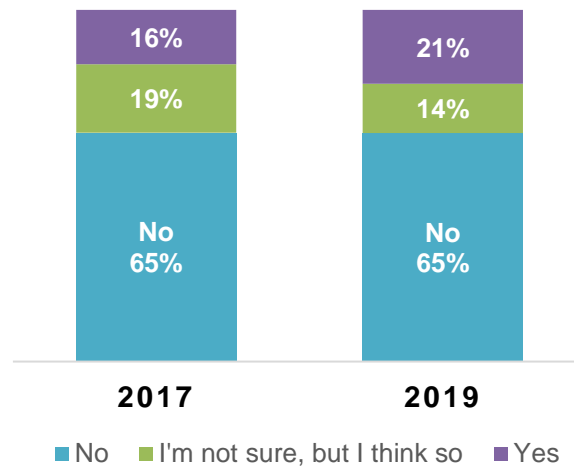
Of those individuals who reported misconduct, 31% of this population felt the matter was fully or partially resolved, which is a 9% decrease from the 2017 survey. It is suspected that the unsatisfactory and unsure rates are likely influenced by limited details of the resolution being communicated when related to personnel actions.

Little or no follow-up is also a contributor, indicating there is an opportunity for additional education on appropriate response to employees by management when concerns are reported. Since, the 2017 survey, new employee orientation, annual Integrity & Compliance Education and the Code of Conduct were all updated to reflect best practices in handling concerns; however, there was no significant increase in positive impact via this year's survey. This may illustrate a greater need for macro-communications; additional manager training to bolster environments conducive to soliciting and receiving individual level feedback; measuring and incentivizing appropriate handling of concerns; and ways to demonstrate and reward a commitment to accountability.

### Perceptions of Retaliation in Response to Voicing Concerns

When employees voice concerns, managers become aware of issues, creating opportunities for early intervention with the desired result of higher employee satisfaction and engagement and lower cost to the organization. When employees perceive retaliation as a response to speaking up, this is detrimental to the culture, as employees often learn to not report future incidents and likely share negative experiences with others. For these reasons, the 62% of respondents (n=195) who did report concerns were asked more detailed questions. This cohort was asked whether they felt they experienced any type of retaliation for speaking up and if they responded yes, they were asked from where the perception manifested.

**Do you feel that you experienced any type of retaliation for speaking up? (n=195 or 12% of all respondents)**



**Please describe the retaliation you may have experienced as a result of speaking up. (n=68 or 35% of respondents who voiced a concern)**



Thirty-five percent of respondents who voiced concerns felt they were retaliated against for speaking up (n=68). For comparison, the *GBES* found that 53% of respondents felt they were retaliated against nationwide. At VCU, the most common type of retaliation described was a manager ignoring or treating an employee differently (57%), followed by manager/management excluding employees from decisions and work activities (53%). This data suggests that managers 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 highlighted in annual Integrity & Compliance Education and the Code of Conduct. This education, in combination with planned messaging over the next year, is expected to positively impact these metrics between now and the 2019 survey.

The Global Business Ethics Survey also found the following retaliation trends, which are helpful to identify when it usually occurs and what environmental factors impact the likelihood of it occurring:

**RETALIATION INCREASES IN WORKPLACE ENVIRONMENTS THAT ARE OUTCOMES-ORIENTED (PERFORMANCE FOCUSED) RATHER THAN PROCESS ORIENTED**

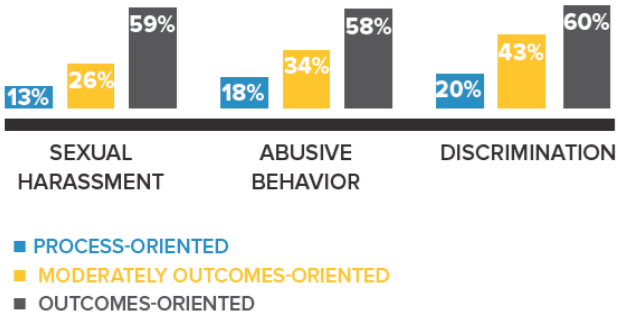


Figure 2: 2018 GBES

**TIME ELAPSED BETWEEN REPORT AND RETALIATION**

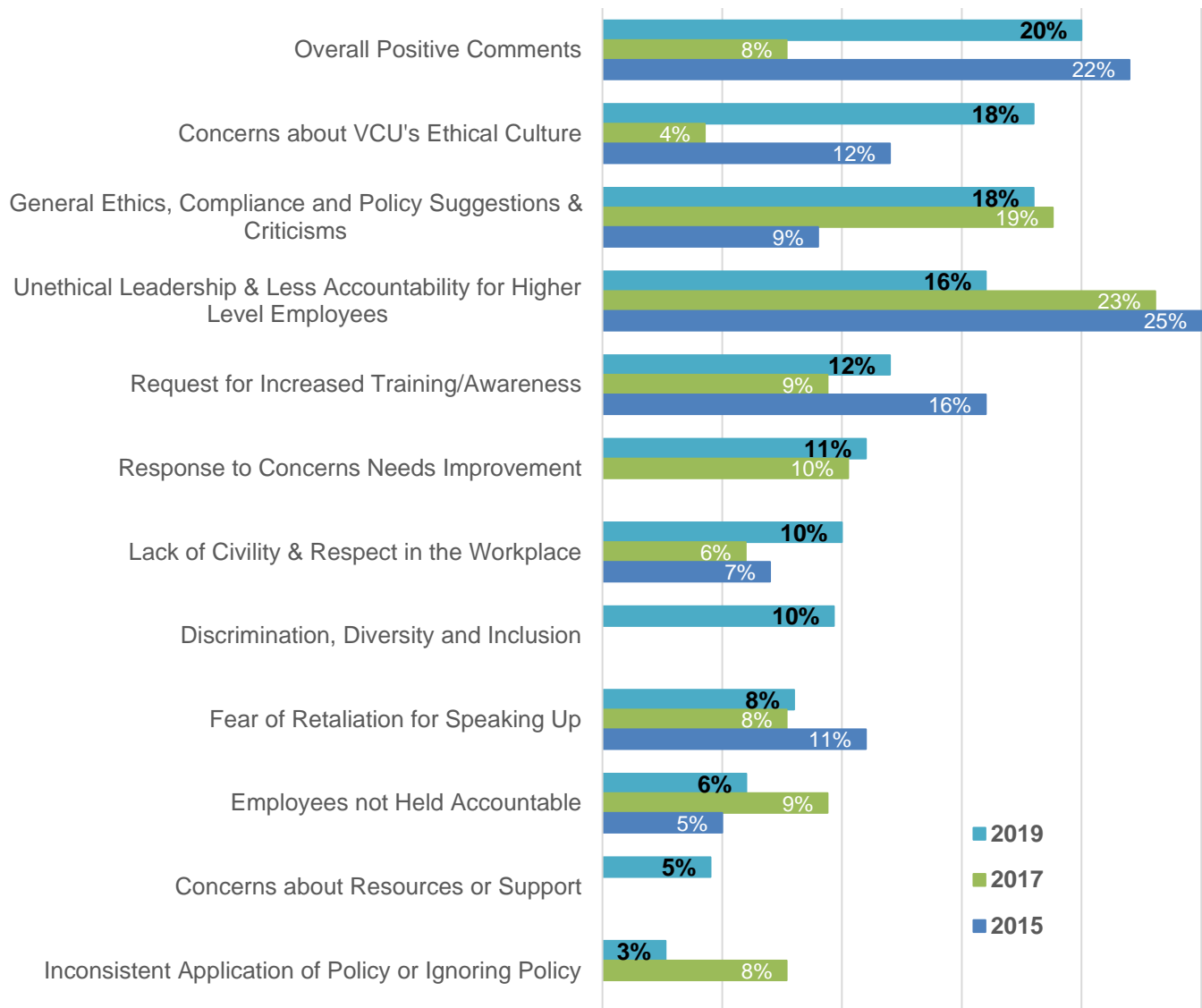


Figure 3: 2018 GBES

**Open Text Comments Analysis**

**Themes of Open Text Comments**

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 266 substantive comments were shared, more than double from 2017, representing 16% of survey respondents. General themes from these comments in comparison to the last two cycles are as follows:



About one-fifth of respondents either noted a positive attribute of VCU's ethical culture, a concern about it or provided a suggestion/criticism, providing specific enhancements to consider.

More specific comments related to unethical leadership decisions and less accountability for higher-ranking employees remained consistent from last cycle however has markedly increased over the last two cycles; requests for training (usually related to managers) and management's response to reported concerns were noted as needing improvement. General mentions of *discrimination, diversity and inclusion* and *resources or support* related concerns were also noted this year.



## Conclusion & Recommendation

Proactive communication about expectations and our core values can have a profound impact on our ethical culture. As indicated in trend analysis of survey data, the Ethics and Compliance Program has reached a point of maturity where increased efforts by the ICO result in minor incremental advances. For this reason, manager involvement in directly messaging and modeling expectations and ethical decision-making, as well as routinely encouraging employees to speak up, is necessary to generate greater positive change. Benefits of ethical engagement by managers are proven to be effective. According to the GBES, when organizations prioritize integrity, employees are:

- Less likely to feel pressure to violate ethics standards
- Less likely to observe misconduct
- More likely to report misconduct they observe
- Less likely to experience retaliation for reporting

The GBES also revealed five management strategies that promote an ethical workplace culture, reducing risk for employees and organizations:

1

### MAKE ETHICS A LEADERSHIP PRIORITY

- > Make discussion of values a regular part of meetings and communications.
- > Ensure that ethical conduct and leadership is a highlighted area in performance reviews at all levels of management.
- > Institute programs, e.g., case studies, to promote regular dialogue about values between supervisors and their reports.

2

### FOCUS ON ACHIEVING SUCCESS THE RIGHT WAY

- > Evaluate goals to determine whether they are reasonably attainable without compromising organizational values and standards.
- > Develop a system for employees to give candid feedback about goals and their feasibility.
- > Examine performance review documents and processes to ensure that ethical conduct is a stated expectation, especially for promotion and advancement.
- > Create reward and incentive programs for ethical conduct.

# THE VALUE OF TALKING VALUES

When managers talk about our core values and speaking up, it has a profound **impact on our culture:**



**BELIEF THERE IS TRUST IN THE ENVIRONMENT**

When managers **DON'T** talk about these topics, it has an impact too:

**0%**

**BELIEF THERE IS TRUST IN THE ENVIRONMENT**

Employees of managers who talk about the importance of ethics are

**12x**

**MORE ENCOURAGED TO SPEAK UP**

**106% +  
ENERGETIC**



**HIGH-TRUST  
WORKPLACES  
PAY  
DIVIDENDS**

**HIGH  
RETURN ON  
INVESTMENT**

**76% +  
ENGAGED**



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3

**BE ATTUNED TO  
THE IMPACT OF  
ORGANIZATION  
AL CHANGE**

- > Be particularly mindful and proactive about communications during times of added stress.
- > Encourage managers to regularly check in with their direct reports, keeping them informed and creating a vehicle for dialogue should issues arise.

---

4

**NURTURE A  
SPEAK UP  
CULTURE**

- > Create multiple formal and informal avenues for employees to present ideas and raise issues, whether they are business or ethics concerns.
- > Respond in a timely manner to questions and concerns.
- > Develop and publicize formal systems for checking in with employees who report misconduct, providing protection from retaliation.

---

5

**BE  
TRANSPARENT**

- > Foster an open, learning mindset by regularly addressing “What we’re doing well” and “What we’ve learned we need to do better.”
- > Encourage leaders at all levels to discuss problems and learning that occurred as a result.
- > Communicate about issues and the steps the organization has taken to address problems, issues and ethical misconduct.

# Survey Methodology

## Methodology

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The following key indicators of ethical culture were assessed:



Survey results were benchmarked against prior year surveys conducted by the ICO as well as the most recent *2018 Global Business Ethics Survey (GBES)*—a longitudinal, cross-sectional study of ethics in workplaces—conducted by the Ethics & Compliance Initiative (ECI).

## Survey Format

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The 2019 Ethical Culture & Perceptions Survey was comprised of 40 questions. A seven-point linear scale was used to measure familiarity (*not at all* to *very familiar*) and agreement (*strongly disagree* to *strongly agree*) with four as a neutral value. Percentages are reported in rounded whole numbers.

- > Thirty-four questions covered ethical perceptions of our culture
- > One open-ended text field was offered to collect any additional comments related to ethics and compliance (themes from these comments are shared at the end of this report)
- > Five demographic questions allow for further analysis of perceptions based on department, employee type, years of service, etc.

## Distribution and Response Rate

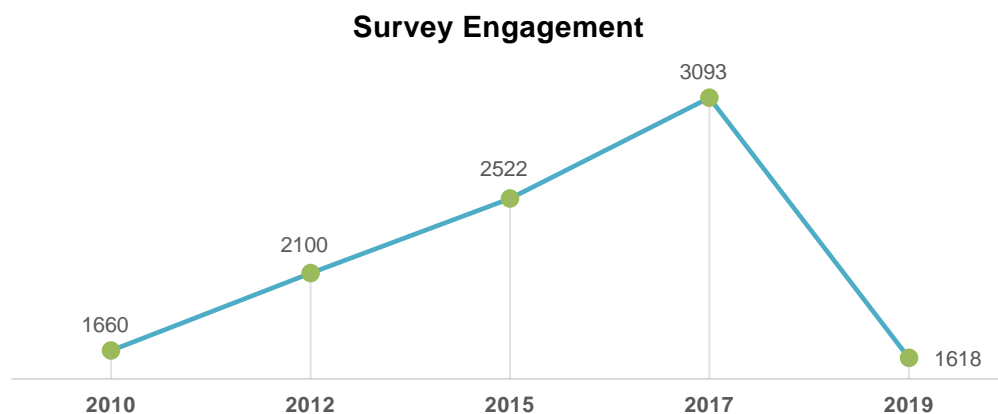
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The survey was announced on Wednesday, March 20, 2019 through a broadcast email to all employees and closed on Friday, April 26, 2019. Employees had a total of 28 business days to participate in the anonymous, online survey. Reminders from senior leaders, managers and local HR were also prompted over this period.

This cycle's response rate is 15% (1,618 respondents), which is a 48% decrease in the number of participants from the prior survey cycle (3,093 respondents). This is most likely attributable to a new limitation on broadcast emails (one per activity) and the number of other surveys distributed to the employee population shortly before or during this survey. For context, approximately 49% of recipients opened the broadcast email and 9% clicked on the survey link.

The incentive offered may also be a factor. In past years, a chance to win prizes such gift cards was advertised to encourage participation. This year, participation was incentivized by a donation to RamParty (VCU's student food bank) proportional to the participation rate (every 1% participation = \$10 donation). It is notable that feedback from the university community on this incentive was significantly positive. The ICO is considering several solutions to increase participation in the 2021 survey.

In summation, the results of this year's survey are similar to the last cycle and remain useful indicators of ethical culture.

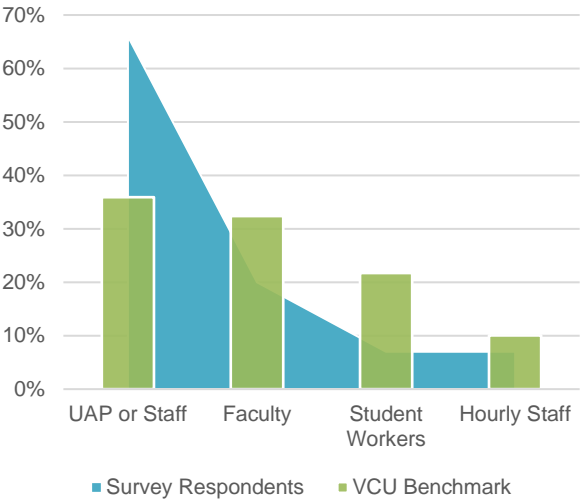


# Appendix

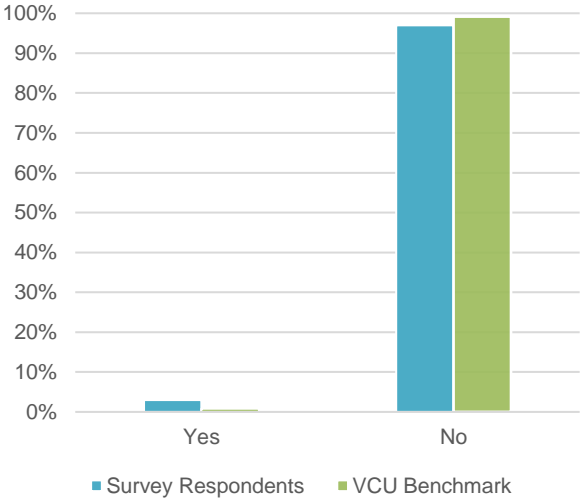
## Demographics

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.

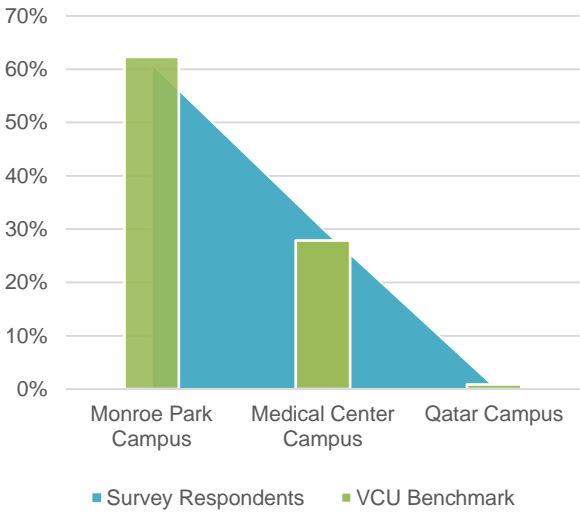
The following best describes my job title or duties:



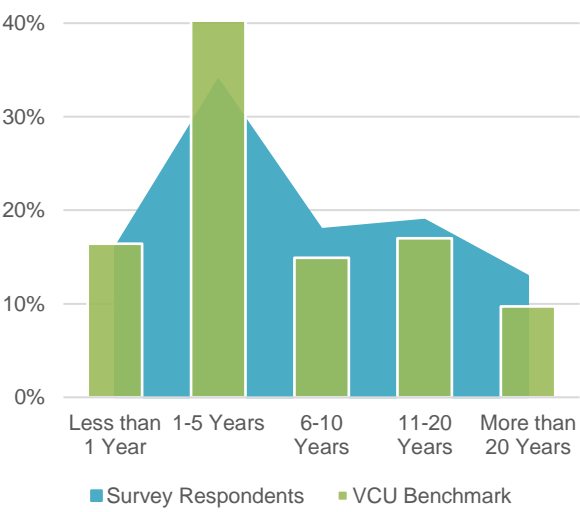
I am in Senior Leadership:



I am primarily located on the:



I have been employed by VCU for:



### I am located in the following unit:

