



2022

Ethics & Compliance Program
Effectiveness Report

Rising to the challenges of the new normal



Inspiring Principled Performance is core to what we do at LRN. It embodies our commitment to helping people around the world do the right thing, and our understanding of what makes ethics and compliance (E&C) programs truly effective in that mission. Welcome to our 2022 Ethics & Compliance Program Effectiveness Report. This report provides insight into the foundations of ethical culture in organizations worldwide.

About the LRN Ethics & Compliance Program Effectiveness Report

LRN publishes its *Ethics & Compliance Program Effectiveness Report* annually. The report reflects the input of ethics and compliance professionals from around the world, filtered through insights we have gained from our research as well as our work with thousands of companies and organizations worldwide.

This 2022 report is based on a survey of nearly 1,200 ethics, compliance, and legal executives and professionals at organizations around the world. Nearly all respondents came from organizations with at least 1,000 employees, and 60% are located outside North America. Using methodology and insights we have developed over 27 years working in this space, we analyzed the data and information these practitioners provided to determine the critical differentiators that make some ethics and compliance (E&C) programs more effective than others.

The most crucial factor we have identified in our work is that a values-based approach to governance builds and sustains ethical culture—the essential element of more effective E&C programs.

Values transform culture and impact behavior; rules merely set the minimum standards. As articulated by one chief ethics and compliance officer, “Rules tell us what we must do; values tell us what we should do.”

Ethical culture underpins successful performance across the organization, not just in the ethics and compliance area.

The [LRN Benchmark of Ethical Culture](#) study shows that employees in organizations with strong ethical cultures are much more likely to make ethical decisions in the face of pressure to meet timelines, quotas, and targets than those in organizations with weak ethical orientation—a significant risk reduction. These organizations also perform stronger across traditional business metrics and experience a greater willingness of employees to report wrongdoing when observed.

Our research shows that an organization dedicated to sustainable human values will exhibit superior performance across operations and be significantly more successful at integrating ethics and compliance into its day-to-day operations. Values-based governance is also a foundational part of ESG (environmental, social, and governance objectives), an area of increasing importance for organizations.

This key insight has been validated again and again during the ongoing COVID-19 crisis and racial and political unrest of the past two years. The pandemic, in particular, has challenged organizations to respond, adapt, and pivot to meet unprecedented challenges to their operations, the health and safety of their employees, and financial viability in a manner consistent with their values and culture. Our [2021 report](#) established that organizations relied upon the power of values to meet these challenges successfully. The robust response by organizations’ leaders, employees, and ethics and compliance programs documented in last year’s report was an inspiring example of the power of values to sustain ethical performance, and even excel, in the face of change and adversity.

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LRN’s 2016 [HOW Report](#)® showed that values-based organizations produce better financial results than do competitors without governance cultures grounded in values. They also foster more innovation, stronger customer satisfaction, higher levels of employee engagement, and significantly reduced levels of misconduct.



The 2022 report documents that the robust innovation and commitment—underpinned by values—that we saw last year continues in response to the ongoing pandemic and other challenges. Our findings offer clear insight into how these crises impacted ethical culture, the steps organizations took to adapt, and the effectiveness of their E&C programs. Further, the findings shed light on what worked, what needs improvement, and where some E&C programs excelled while others did not. These insights can provide a roadmap for the new normal as the world continues to grapple with the pandemic and other challenges.

This year's report also helps answer a critical question posed by government regulators: *Does an organization's ethics and compliance program work in practice, not just on paper?* COVID-19 was an unprecedented stress test for E&C programs. Our latest research demonstrates—as did our 2021 effort—that the greater majority rose to the occasion and organizations' ethical cultures emerged stronger as a result of the crisis. Our methodology is discussed [here](#) on p. 46.

The critical role of values and ethical culture in meeting the COVID challenge

“Three or five core values, if they are translated into shared values and understood behaviors, are more potent and powerful than 1,000 rules with all their carrots and sticks.”

— Dov Seidman, LRN Founder and Chairman, April 2021

According to our 2022 report:

Adherence to ethics and compliance remained strong as we saw in last year's report—and got stronger.

Last year, **79%** of the executives and experts we surveyed reported that their organization's ethical culture emerged stronger by virtue of the way they coped with the COVID-19 crisis.

This year,

82% reported that their ethical culture is stronger as a result of their experiences coping with the crisis—or four out of five respondents.

In other words, staying true to values and doing the right thing, despite the stresses and strains of crises, was the norm—not the exception—among those we surveyed.

Why such positive results year over year?

The data indicate that organizations relied upon positive, values-driven governance models:

78% of respondents reported that their firms emphasized company values, rather than rules and procedures, to motivate employees to do the right thing.

83% reported that ethics and compliance considerations played an important role in shaping their organization's response to COVID-19 challenges, consistent with last year's response of 80% of those surveyed.

And, in a notable demonstration of the role played by ethics and compliance in an organization's operations,

66% of this year's respondents reported that senior leaders integrated ethics and compliance considerations into their decision-making during the crisis—a powerful example of walking the walk as well as talking the talk.

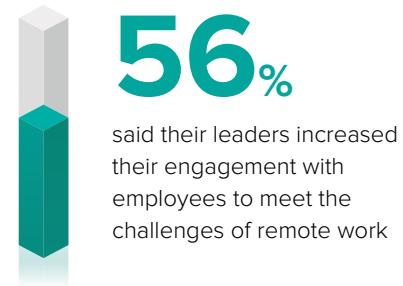
Regulators have come to realize the limitations of “paper” programs and increasingly focus on the degree to which a program has an impact on ethical culture. The U.S. Department of Justice's Evaluation of Corporate Compliance Programs (ECCP), updated in May 2019, was created to assist prosecutors in assessing “whether, and to what extent, the corporation's compliance program was effective.”

One of the three sections of the guidance addresses whether the program at issue is well-designed, but the clear weight is on the last two sections: “is the program being implemented effectively,” and does the program “work in practice.” Similar guidance from other U.S. and European regulators focuses on the impact of an ethics and compliance program, not its activities, as the key measure of effectiveness.

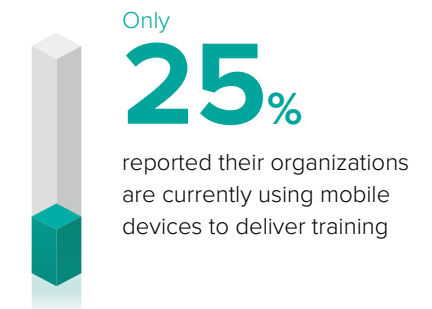
The big picture: Values and ethics sustained companies during the pandemic, but areas of weakness emerged as well

Before exploring how programs responded to the ongoing crisis, we look at the overall responses of our sample of nearly 1,200 ethics, compliance, and legal experts and executives around the world.

Corporations' ethical cultures and frameworks held firm and helped leaders, managers, employees, and other stakeholders navigate the unforeseen and unknown, with remote work being just one dimension of the challenge. Specifically, in the face of COVID-related business disruption:



But areas of weakness emerged within E&C programs as well, despite generally good performance and impact during the ongoing COVID crisis:



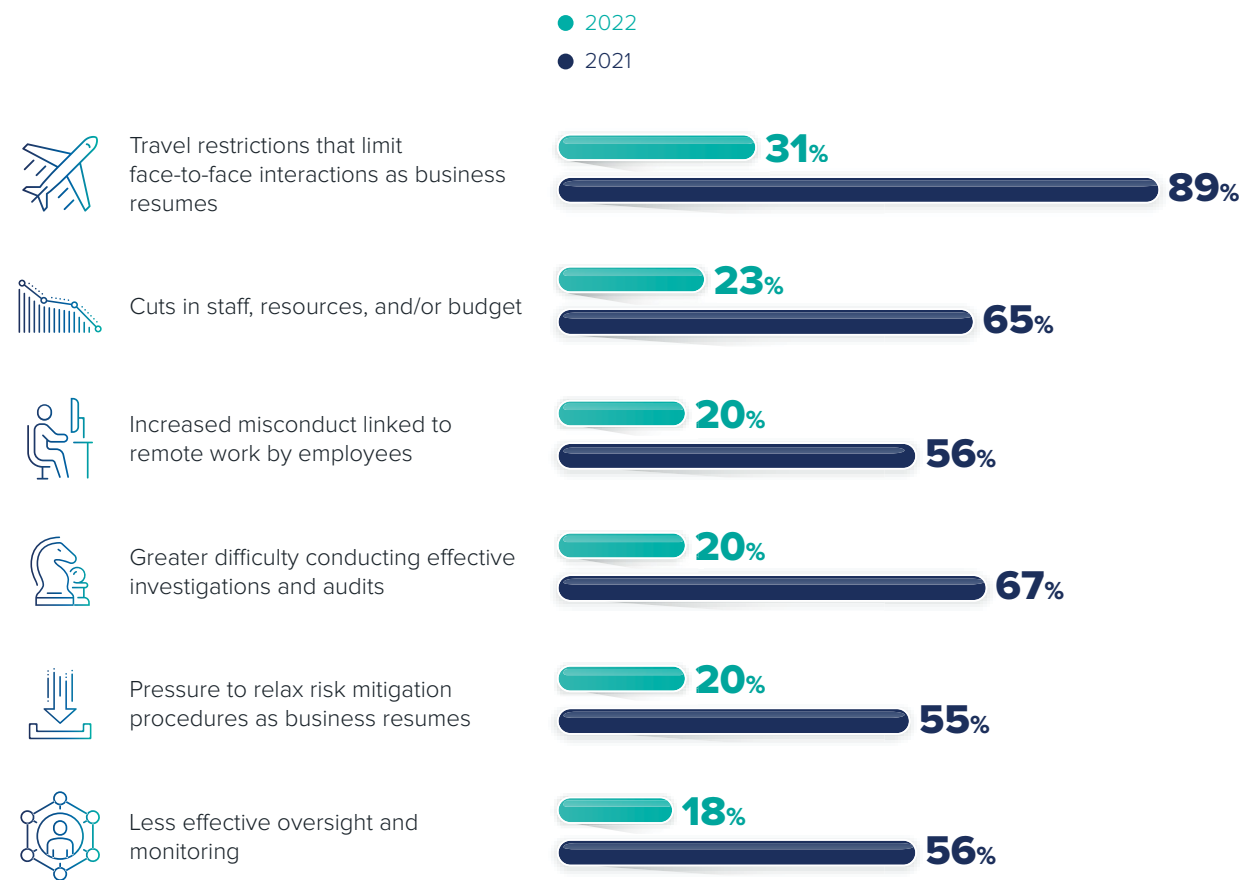
Of particular concern is the lack of progress by programs in making their resources and activities more accessible to employees. Delays returning to the office in the face of ongoing pandemic challenges, as well as lessons learned during the pandemic, make this a critical area for focus by E&C programs.



Continuing further on the good news side, many of the concerns expressed by those surveyed last year about potential negative effects of the pandemic have dramatically diminished.

COVID is likely to negatively impact our ethics and compliance program in the following ways...

(% very likely)



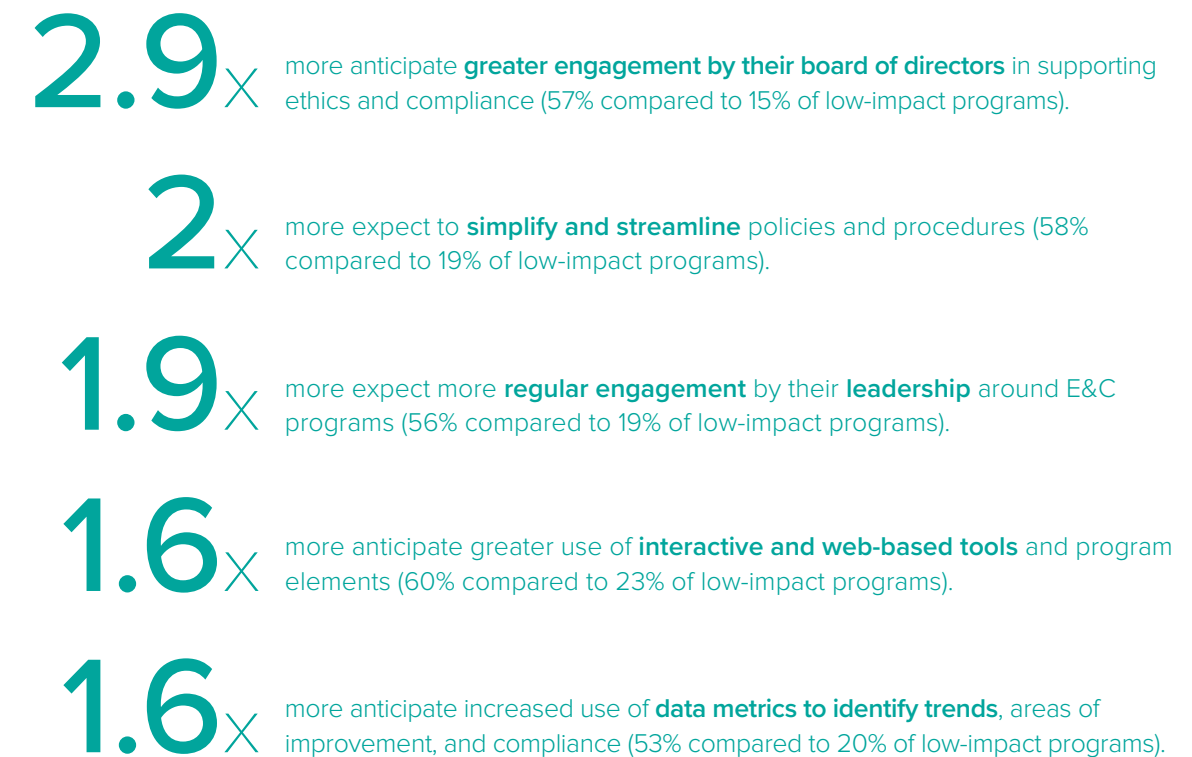
This positive realignment is consistent with our findings that ethical culture has generally strengthened rather than weakened as a result of the pandemic as organizations and programs stayed the course.

Top-ranked programs were proactive, utilized available resources, and focused on employees

For the purpose of analysis, LRN categorizes E&C programs as high-impact, medium-impact, or low-impact based on their impact on ethical culture ([see Methodology section on program evaluation, p. 46](#)). Our overall findings show that high-performing programs significantly outperformed less impactful ones, making proactive use of all available tools, and making their programs more employee-centered and user-friendly.

Two-thirds of high-performing programs (66%) made it easier for employees to do training remotely, compared to 44% for low-impact programs. High-impact programs were also 200% more likely to place priority on making it easier for employees to engage with the program (68% of high-impact programs compared to 22% of low-impact programs).

Similarly, high-performing programs anticipate greater improvement and positive developments to their programs looking ahead:



Detailed findings

How are ethics and compliance programs weathering the ongoing COVID-19 crisis?



What is the short-term and long-term impact?

A year ago, no one could foresee how or when the COVID crisis would resolve. A year later, the challenges have shifted and changed but remain significant as organizations grapple with returning to the office and vaccine mandates. How did organizations stay on course with ethics and compliance in the face of ongoing business disruption?

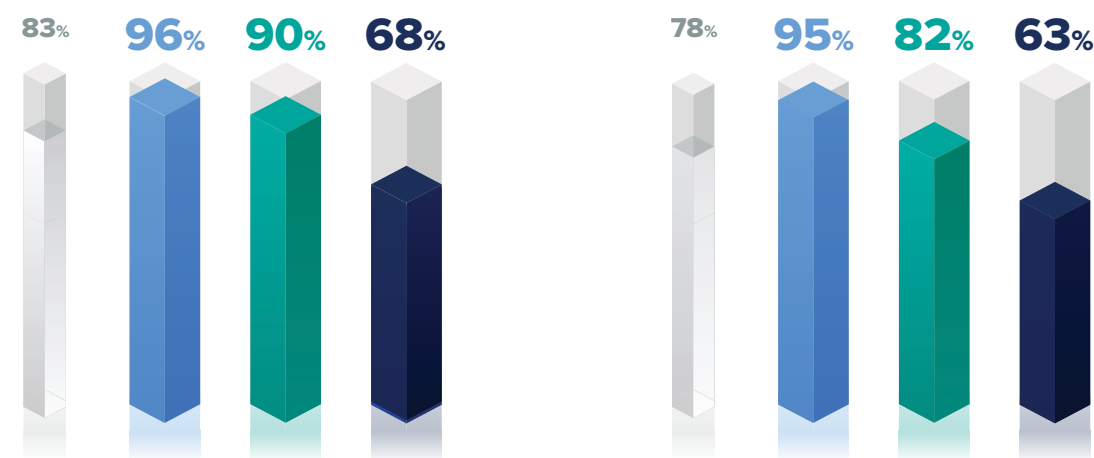
The value in values

Our survey looked at four major areas, asking respondents to indicate the degree to which they agreed with these statements:

How organizations responded to the ongoing challenges of COVID

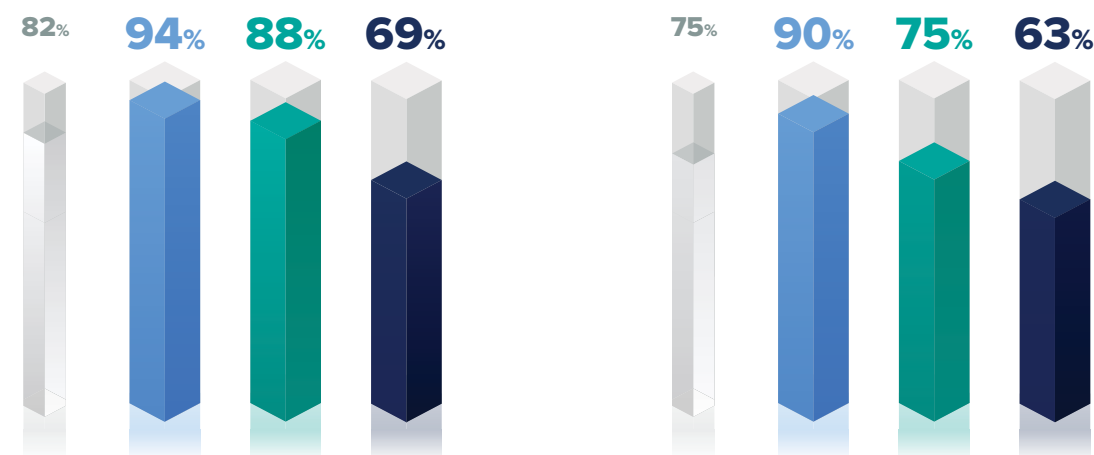
(% Agree)

● Overall ● High-Impact ● Medium-Impact ● Low-Impact



Ethics and compliance considerations have played an important role in shaping my organization's response to the COVID-19 challenges that face us

Our organization has emphasized our company values, rather than rules and procedures, to motivate employees to do the right thing in difficult circumstances



Our ethical culture is stronger as a result of our experiences coping with the COVID-19 crisis

We have made significant changes to our ethics and compliance program to meet the needs of employees working remotely

These findings show that organizations continue to rely more upon values than rules and procedures to meet the ongoing COVID-19 challenge. As we saw last year, managers and employees at all levels in organizations went above and beyond their normal duties to meet the needs of stakeholders.

This year, the overwhelming majority of E&C professionals reported that their leaders rose to the challenge of dealing with the consequences of the crisis, even as pressure on revenue and operations continued:

Steps leaders have taken overall in the face of the COVID business disruption

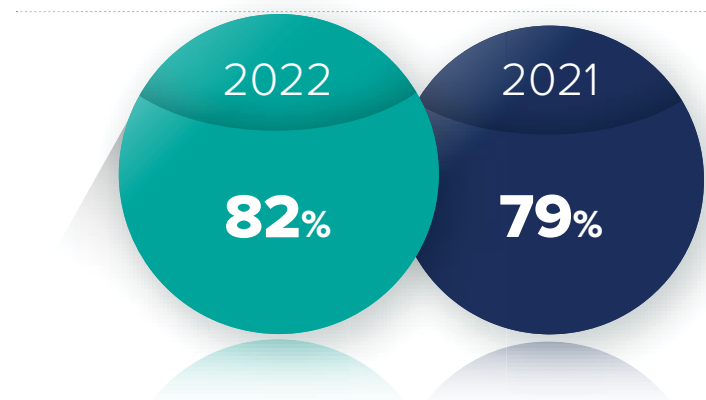


Moreover, the percentage of respondents indicating that their ethical culture emerged stronger from the COVID crisis has increased since 2021:

Ethical culture continues to grow stronger

(% Agree)

Our ethical culture is stronger as a result of our experiences coping with the COVID-19 crisis



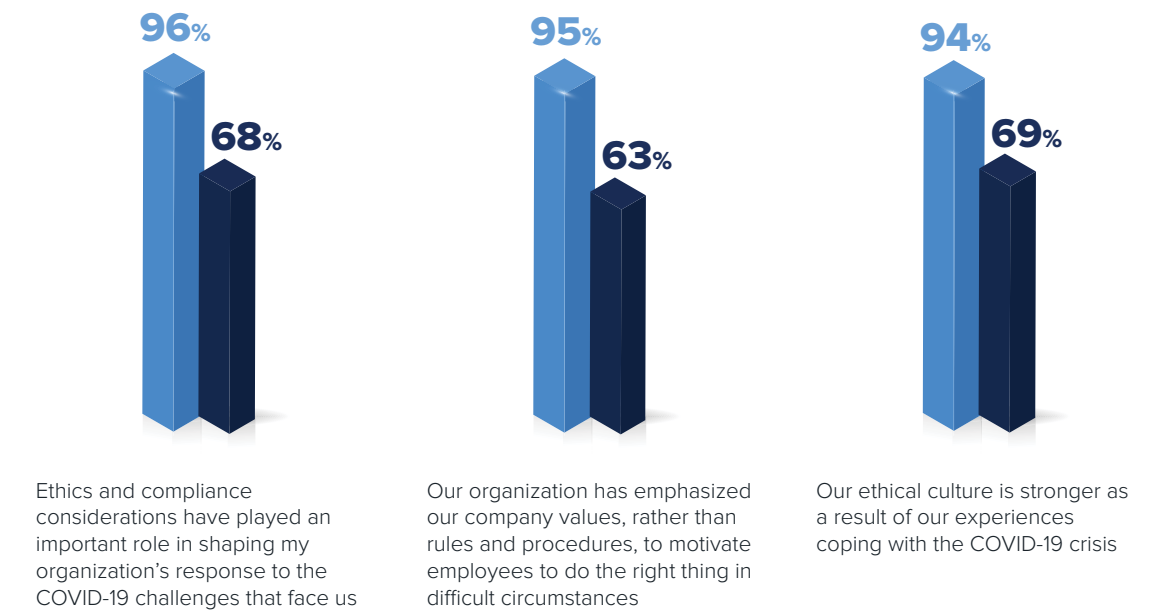
The high-performance premium

This year, there were striking differences between respondents with “high-impact” and “low-impact” E&C programs, both in the role values play and the importance placed on ethics and compliance considerations in decision-making during the COVID crisis.

The high-performance premium: Emphasizing values, ethics, and compliance in navigating the COVID crisis

(% Agree)

● High-Impact ● Low-Impact



This data confirms what our research has demonstrated year over year: putting values at the heart of E&C programs is the key to making them more effective.

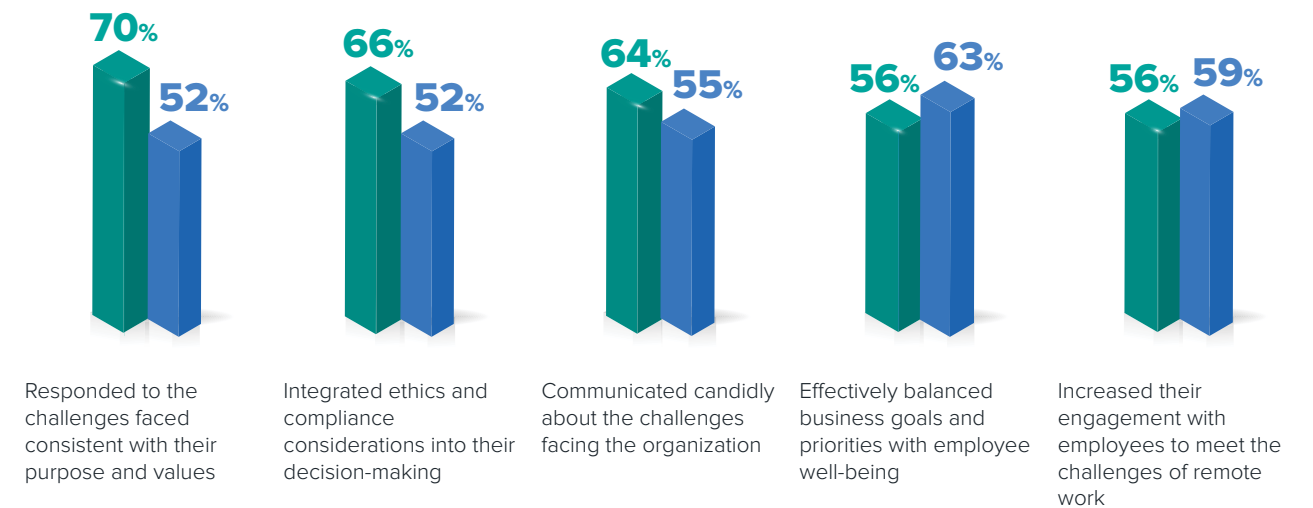
Did leaders and middle managers act consistently with their organization's values and mission?

The distinctive roles of managers and leaders

As noted earlier, respondents reported overall that their leaders rose to the challenges and disruption caused by the pandemic—but some interesting differences emerged between executive and middle managers.

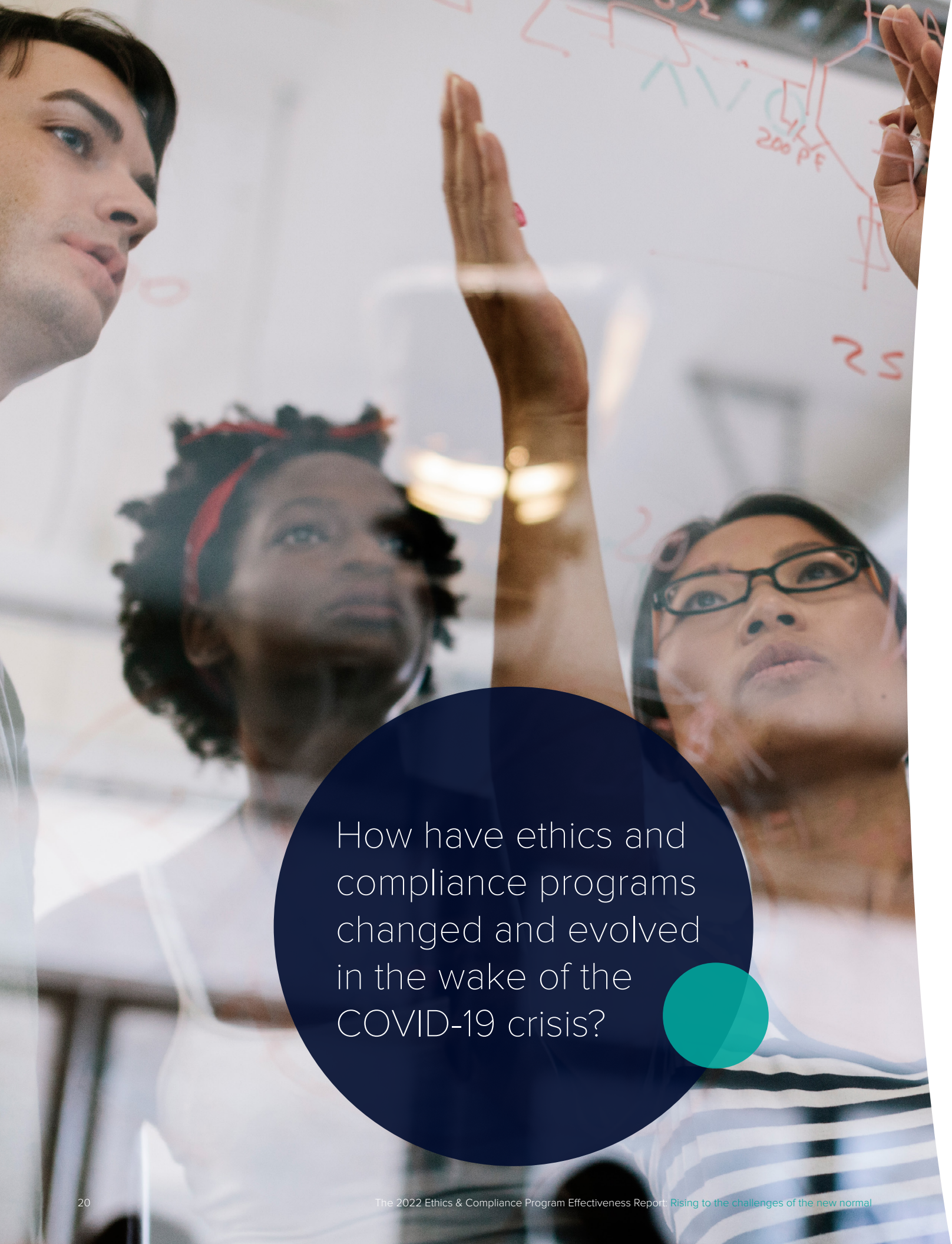
Steps leaders have taken in the face of the COVID business disruption

● Executive & Senior leaders ● Middle managers



A majority of those surveyed rated their senior and middle managers as responding effectively to the ongoing pandemic challenges, consistent with last year's report. Executive leaders were again rated higher than middle managers for responding to the crisis consistent with their organizations' purpose and values. This year, however, middle managers were rated better than senior leaders at balancing business priorities with employee well-being and at increasing their engagement with employees to meet the challenges of remote work.

These differences may reflect greater demands on middle managers to deal with returning to offices and hybrid remote work arrangements—demands they appear to be meeting. It may also illustrate the distinct roles of executive and middle managers, with executive leaders taking the lead in steering a course consistent with values and mission throughout the crisis.



How have ethics and compliance programs changed and evolved in the wake of the COVID-19 crisis?

A focus on access as programs evolve

As the COVID crisis continues to unfold and organizations adapt to the new normal, ethics and compliance programs have had to re-evaluate how they operate. This year's data show a focus on making it easier for employees to engage with E&C programs, continued use of virtual resources, and strengthening risk controls in critical areas. But the data also show that programs need to be tailored and enhanced so that they continue to respond effectively to the needs of their organizations.

In the wake of the COVID crisis, has your ethics and compliance team made any of the following changes to your program?

(Select all that apply)



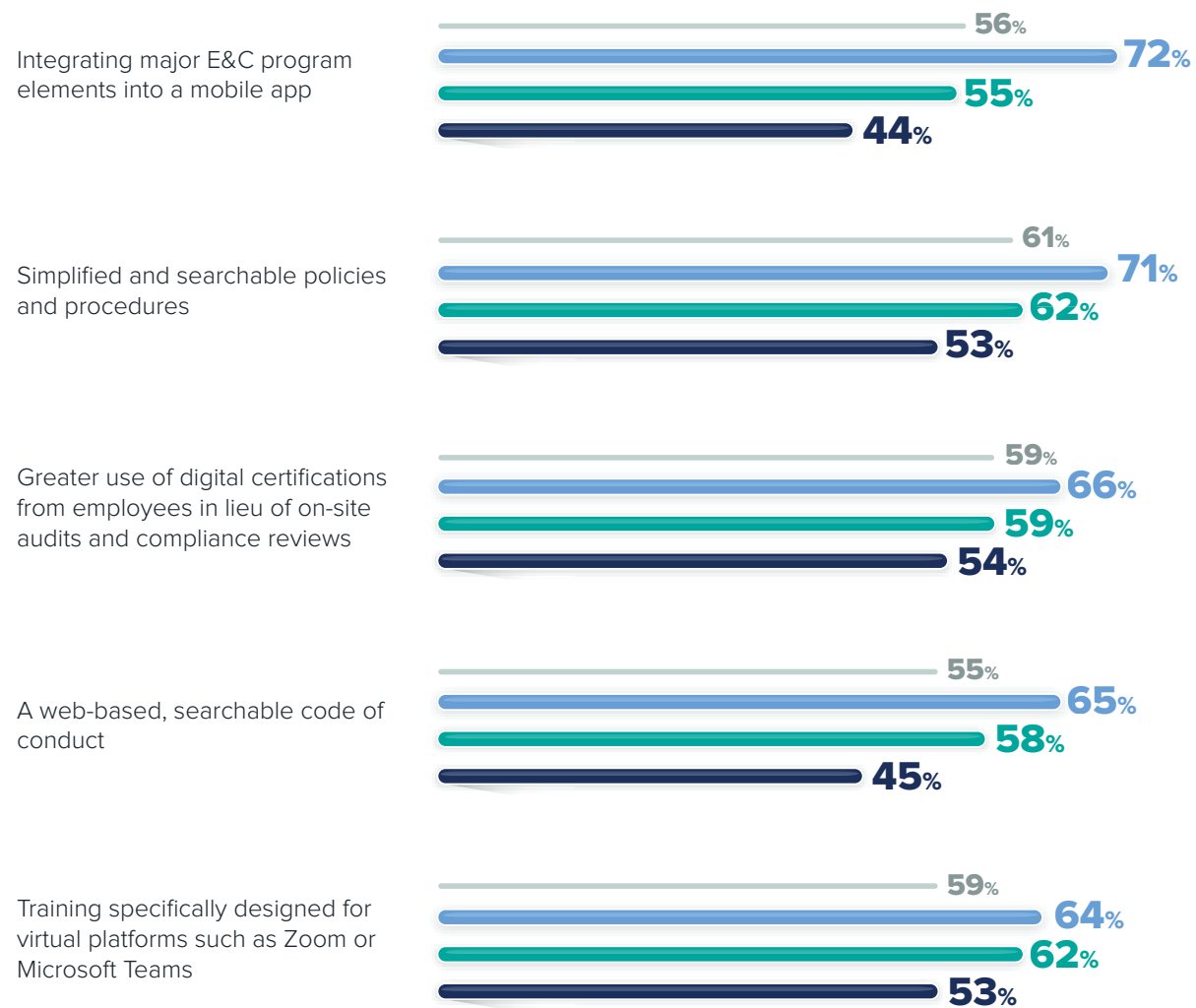
Effective ethics and compliance programs are designed to significantly mitigate the risks they address. This is reflected in programs' increased focus during the pandemic on cybersecurity, data privacy, donations of critical equipment, and third-party management. That said, the magnitude of the increased emphasis in these areas did not match what we would expect, given the risks involved, and is largely unchanged from last year's results.

Looking ahead, E&C programs will continue many of the trends we saw gathering momentum last year:

In the wake of the COVID crisis, how high a priority will the following enhancements be to your ethics and compliance program in the near future?

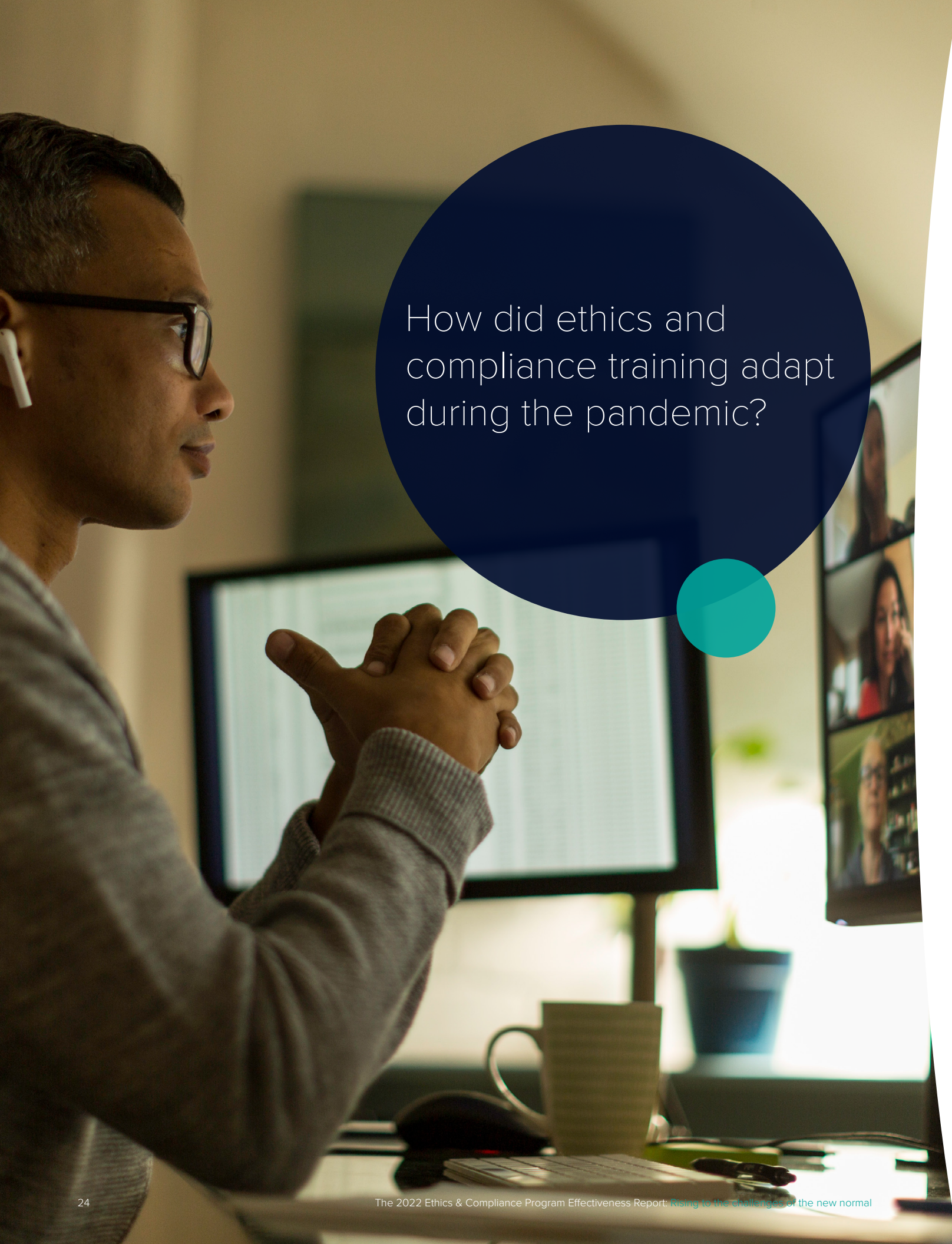
(% High priority | 4 & 5 on 5-pt scale)

● Overall ● High-Impact ● Medium-Impact ● Low-Impact



Many of these priorities focus on accessibility to program resources—including shifting to using mobile-friendly technologies, making policies and procedures easier to access and search, or providing web-based codes of conduct.





How did ethics and compliance training adapt during the pandemic?

For effective training, access and relevance are key

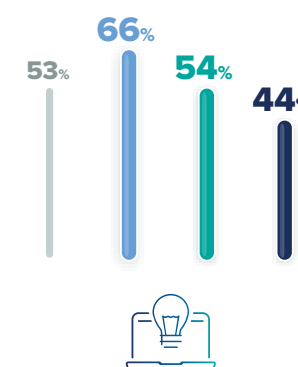
Training is fundamental to effective ethics and compliance programs—and essential to helping employees understand their organizations’ expectations and standards. Regulators view training as an essential component of impactful ethics and compliance programs.

The majority of respondents indicate their organizations are making their training platforms more accessible, in light of ongoing remote work. And most respondents, particularly those with high-performing programs, focused on customizing content.

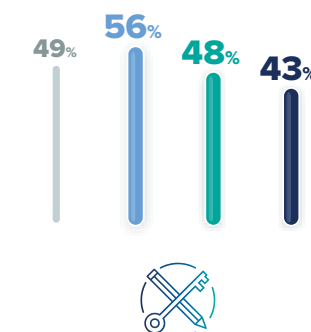
In the area of training, how has your ethics and compliance program evolved as a result of the COVID crisis?

(Select all that apply)

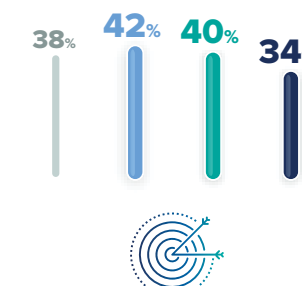
● Overall ● High-Impact ● Medium-Impact ● Low-Impact



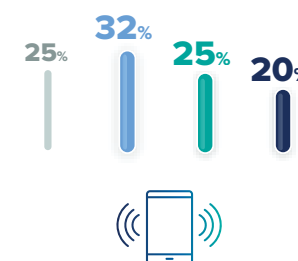
Improving our training platform to make it easier for employees to use remotely



Using more customized content to address specific risks or challenges



Using shorter, more targeted training courses or videos



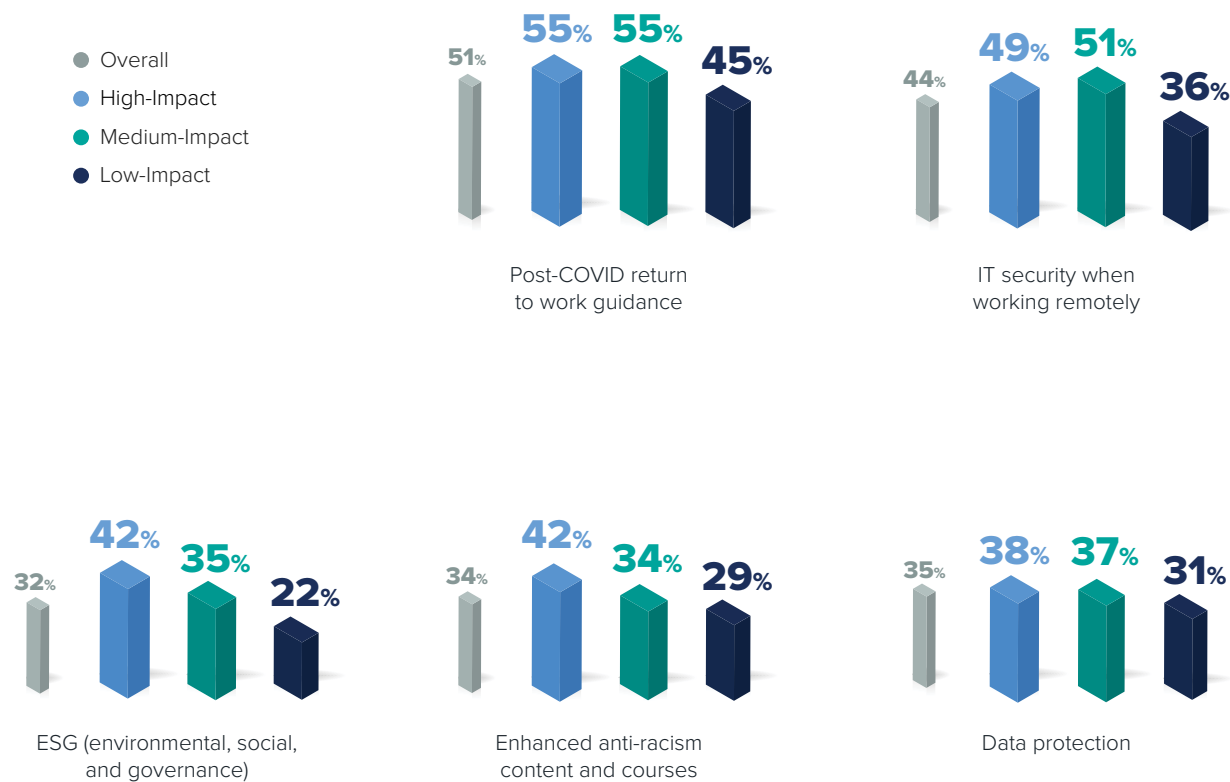
Using mobile devices to deliver training

On the other hand, a relatively small percentage of respondents said their organizations had moved toward shorter, more targeted training courses, and only 25% of respondents reported the use of mobile devices to deliver training—just a five percentage-point increase over last year’s data.

Training content is also being adapted to reflect the new normal.

What topics are you considering adding to or strengthening in your current training curriculum?

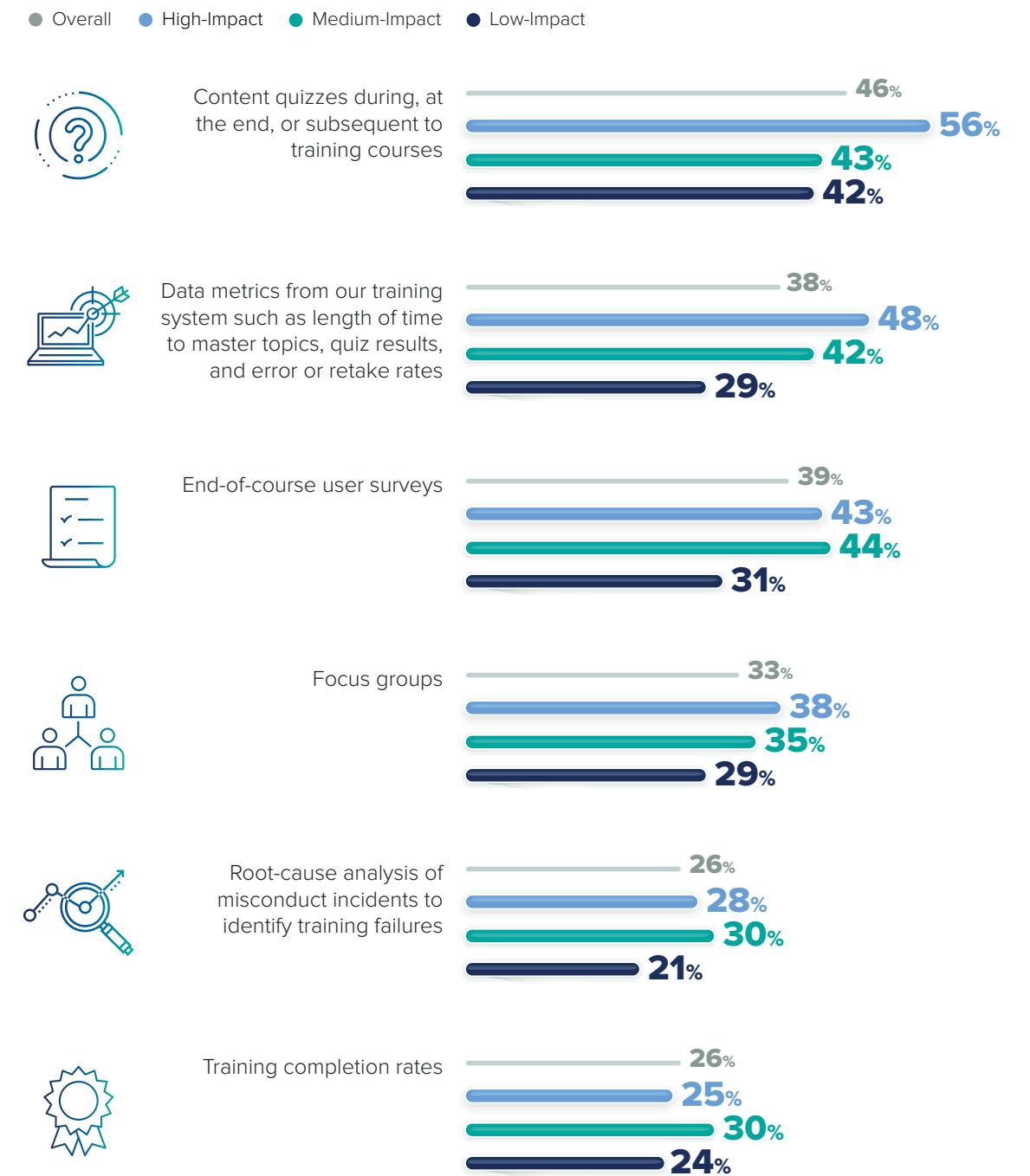
(Select all that apply)



And measuring the effectiveness of training continues to be an area of importance.

What methods does your training program use to measure training effectiveness and impact?

(Select all that apply)



How do E&C programs measure their impact?

Strength in numbers

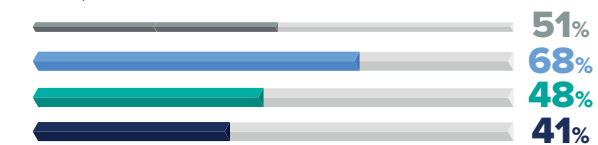
Regulators are increasingly focused on E&C program impact and question the value of “checklist” compliance—that is, lists of program activities as evidence of impact. And the COVID crisis, as a whole, poses a significant risk to organizations, requiring changes and adaptations that can impact their ethical culture. E&C teams have responded by focusing on a wide range of data sources to evaluate and gauge program impact.

Looking at measurements of your program’s effectiveness, what type of data would be useful to gauge your program’s impact and identify areas for improvement?

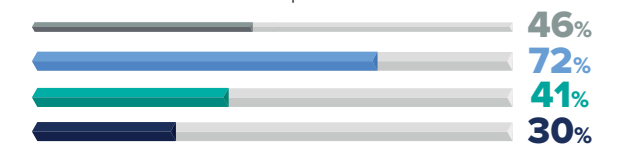
(Select all that apply)

● Overall ● High-Impact ● Medium-Impact ● Low-Impact

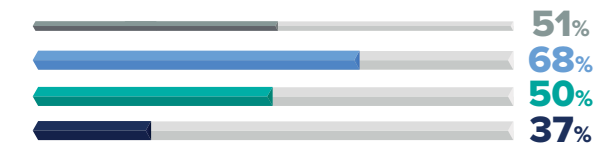
Employee engagement with ethics and compliance resources



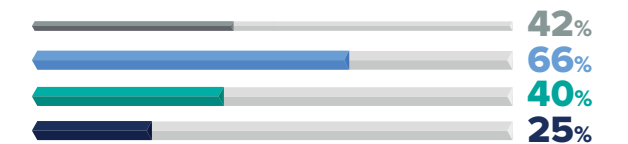
Misconduct trends and patterns



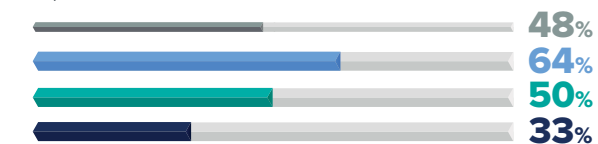
The strengths and weaknesses of our ethical culture



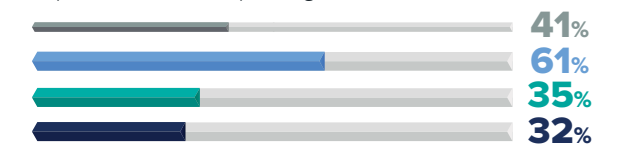
Code of conduct and policy "clicks" on specific topics



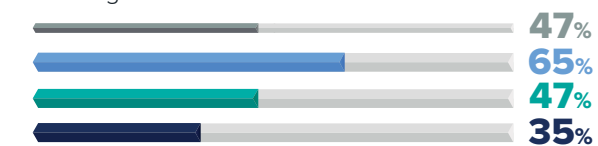
Root-cause analysis data for compliance lapses



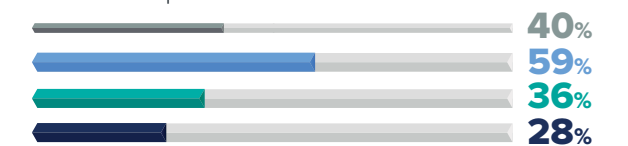
"Speak out" and reporting data



Training content retention

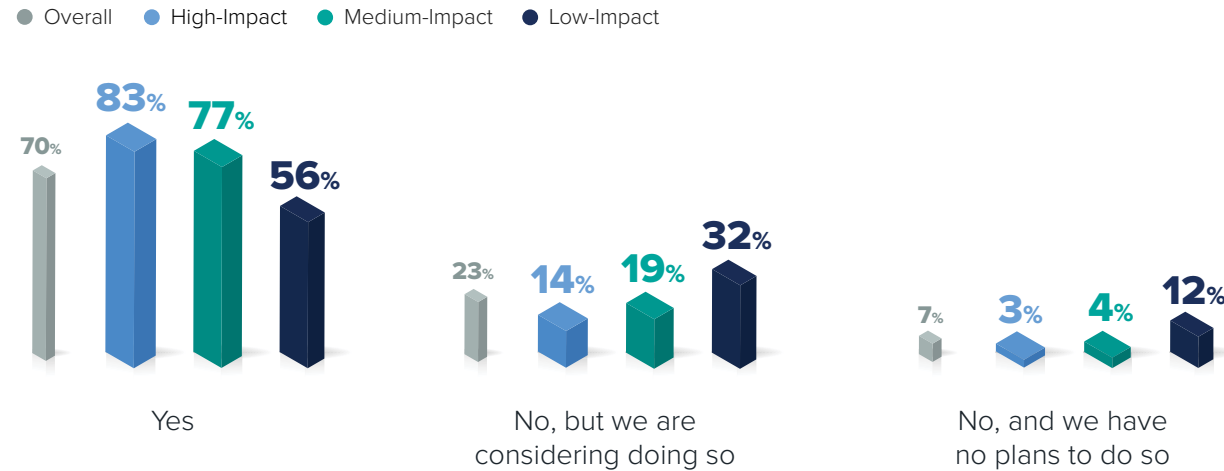


Hotline complaints



Measuring and assessing an organization's ethical culture has also emerged as an important metric in understanding whether an organization's E&C program works in practice. Encouragingly, we see a significant majority reporting that they periodically assess their ethical culture, perhaps in response to regulators' focus on culture.

Does your organization periodically assess your ethical culture?



Regulators' focus on culture measurement

Major global regulators emphasize that creating a "culture of compliance" is an essential component of E&C program effectiveness. In 2019, the U.S. Department of Justice went further and posed the following three questions:

- How often and how does the company measure its culture of compliance?
- Does the company seek input from all levels of employees?
- What steps has the company taken in response to its measurement of the compliance culture?

Consistent with this emphasis, our annual program effectiveness research shows an increase in the number of companies that intentionally assess their ethical culture, and an increase in the use of employee surveys to do so.

Employee engagement

Employee engagement survey with a few E&C questions



Broad employee survey focused specifically on dimensions of ethical culture



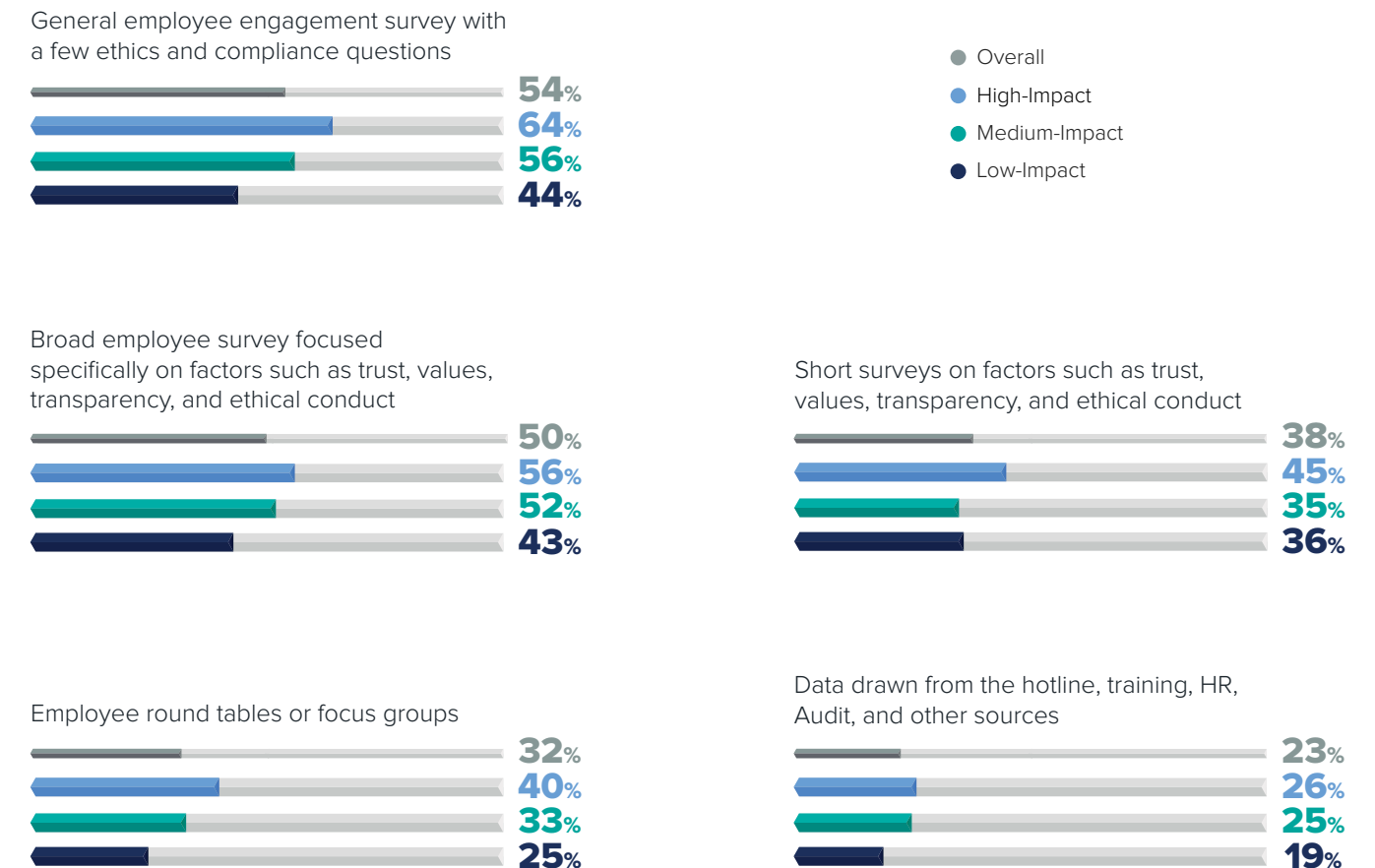
The number of respondents with no plans to assess their ethical culture was small (7%), placing these organizations in the clear minority. Reasons for not doing so ranged from budget and resource constraints to survey fatigue. Forty-one percent said they did not know how to measure culture, and a shocking 26% indicated that ethical culture was not relevant to their E&C program, among other reasons.

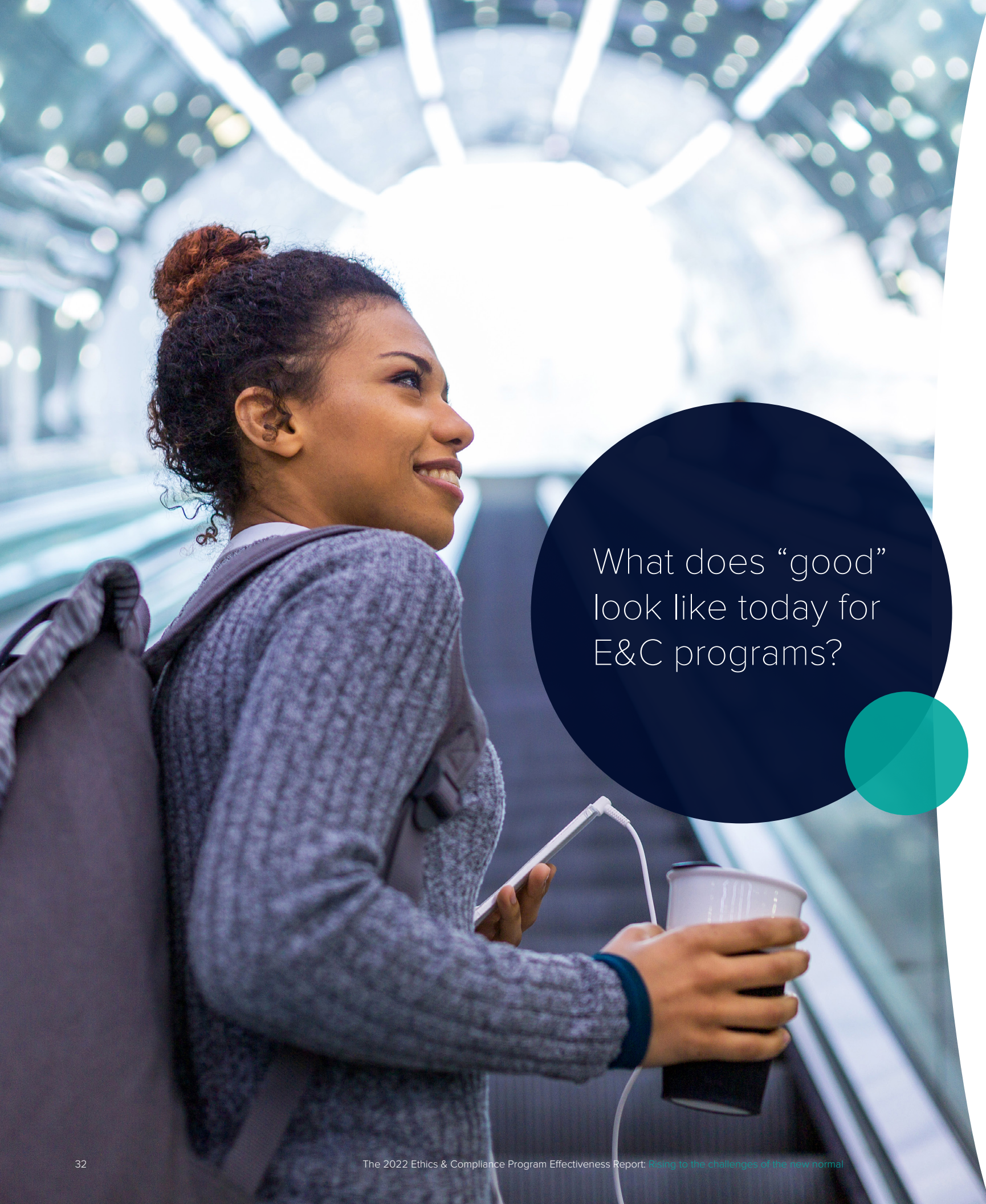
LRN sought to answer the question of how to measure ethical culture. The results of this research, including a proposed framework of ethical culture, can be found in the [LRN Benchmark of Ethical Culture](#) report. Notably, we found that two dimensions of ethical culture—organizational justice and trust—have an outsized impact on whether people behave ethically. This insight and more provide guidance to E&C professionals seeking to protect their company's reputation and mitigate E&C risk.

While culture data can be drawn from a variety of sources, most respondents report using some form of employee survey. An effective ethical culture survey measures employee perceptions of trust, respect, transparency, speaking up without retaliation, and organizational justice. However, many organizations still rely on just a few questions in a general employee engagement survey.

What method(s) do you use or plan to use to assess your ethical culture?

(Select all that apply)





What does “good” look like today for E&C programs?

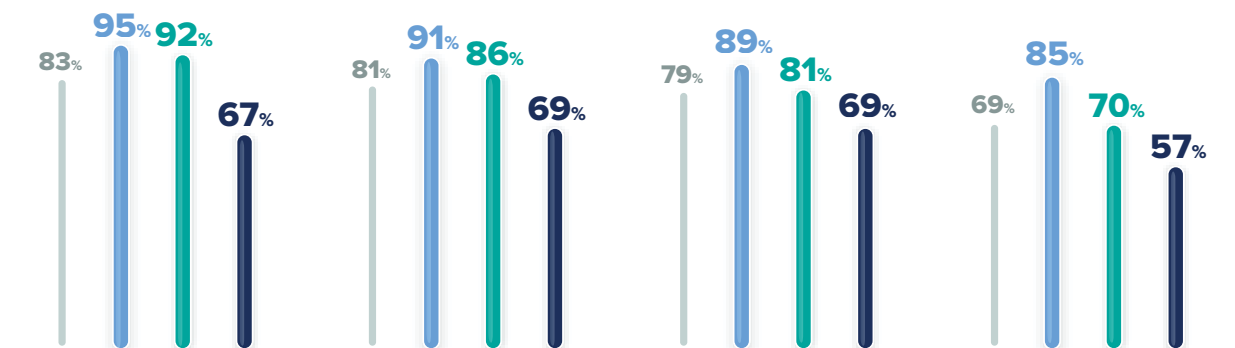
Equipped for success

Despite the economic impact of the pandemic and strain of restarting after lockdowns, respondents overwhelmingly indicated that their programs were well resourced and empowered.

E&C program resources and standing

(% Yes)

● Overall ● High-Impact ● Medium-Impact ● Low-Impact



Our E&C function has sufficient resources, authority, and reach to ensure that major risks facing our organization are effectively identified and mitigated*

Does your E&C function have the resources and rank comparable to other key risk functions (such as Audit or Security) within your organization?

Does your E&C function have broad access to other data sources in the organization such as HR, Audit, or IT Security that can be used to identify patterns of misconduct?

Does your E&C function have the ability to raise issues or concerns directly to the board of directors?

*(% Strongly agree + Agree)

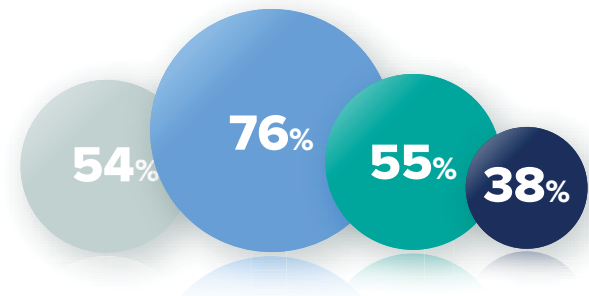
Most, particularly high-performing programs, report that ethics and compliance considerations play an impactful role in major decisions and initiatives.

Ethics and compliance's role in key business decisions and initiatives

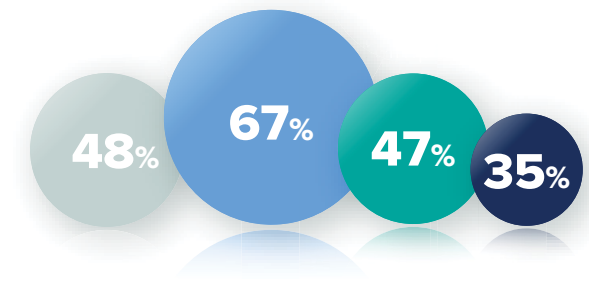
(% Yes)

● Overall ● High-Impact ● Medium-Impact ● Low-Impact

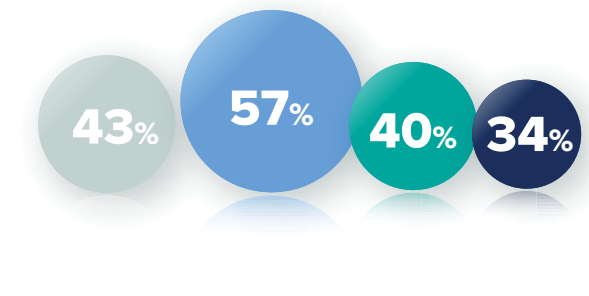
In the past year, has your organization's board of directors taken an active role in ensuring that any misconduct by senior executives or excellent performers is effectively addressed?



In the past year, has your organization's consideration of ethics and compliance risks or factors led to substantially modifying or abandoning a business initiative?



In the past year, has your organization disciplined or terminated a senior executive or excellent performer for unethical behavior?

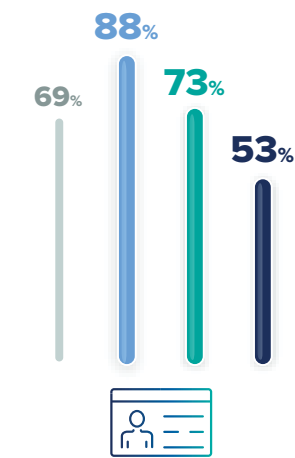


And they report that their organizations align internal processes to reflect their values in terms of positive incentives.

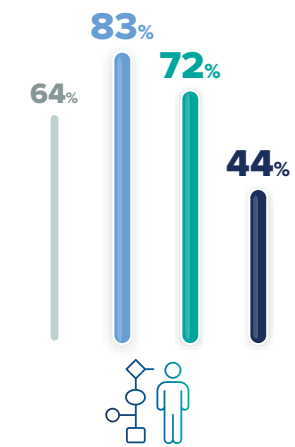
My organization has formal requirements that an employee's ethical behavior is evaluated as a significant factor in:

(% Yes)

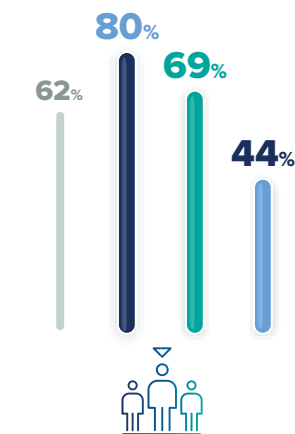
● Overall ● High-Impact ● Medium-Impact ● Low-Impact



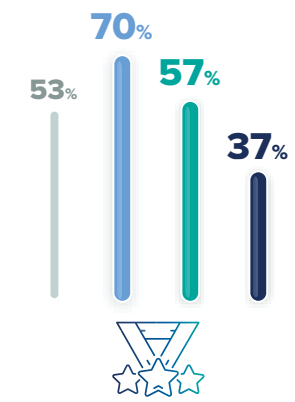
Our performance management process



Hiring employees for managerial, executive, or control functions



Selecting employees for promotion



Our bonus award process



What will the new normal look like?

Gaining insight into the emerging landscape of the new normal can help ethics and compliance professionals plan for the future and ensure that their programs stay current and effective in mitigating risks. We asked respondents about their program enhancement priorities, as well as their insights into the positive and negative impacts of the crisis on their programs.

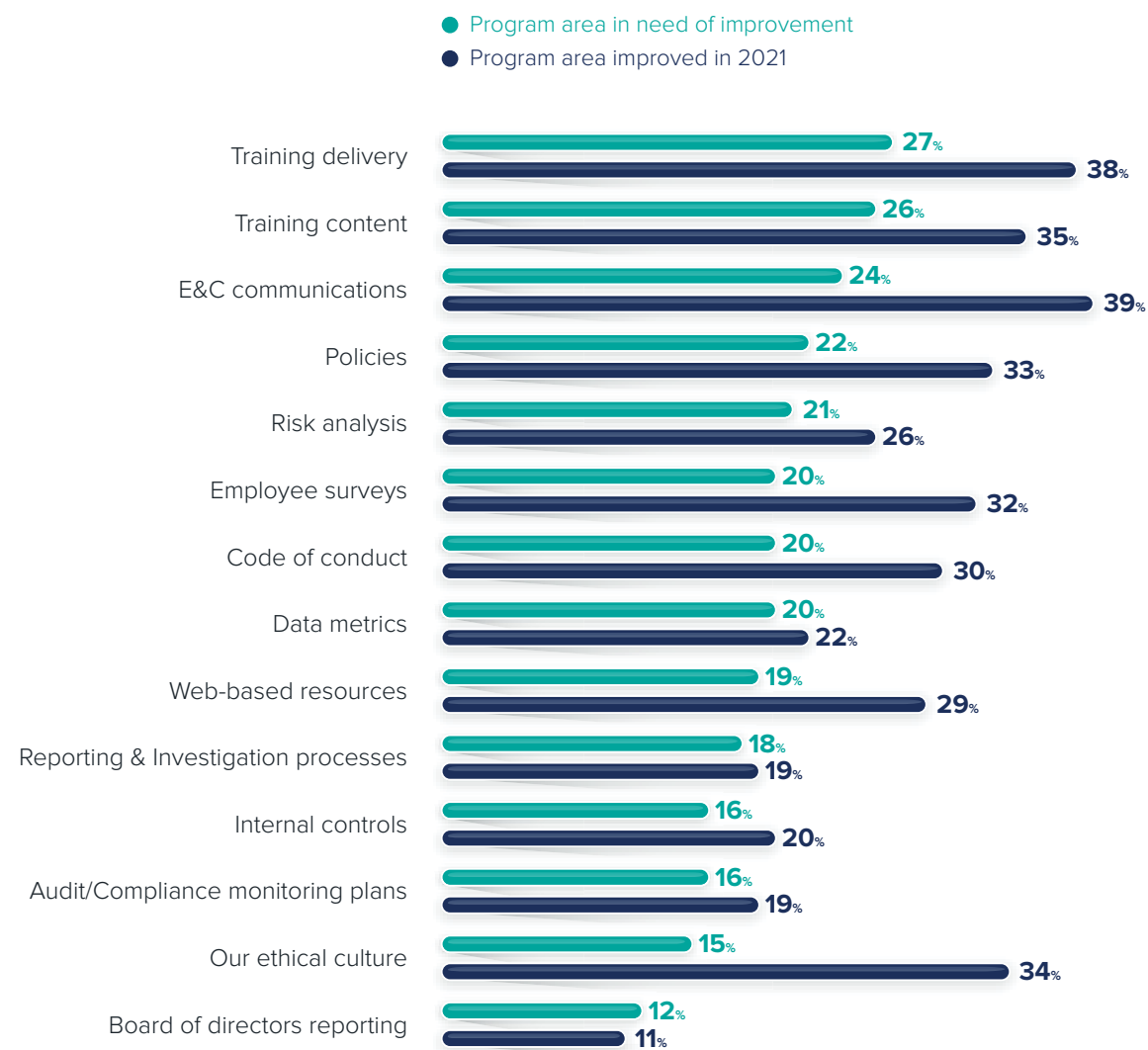
1 E&C programs are getting stronger

Our data suggest not only that E&C programs played an important role in preserving ethical culture during the crisis, but also that many programs—particularly high-performing ones—grew stronger in some but not all areas, while those with programs that lag behind are being targeted for improvement.

We asked respondents to identify the areas of their programs that needed improvement and whether they actually improved those areas last year. The chart shows that all the programs surveyed continued to address gaps and strengthen key areas of their programs.

E&C program elements and areas of focus: What improved in the last year, and what still needs to be strengthened

(Select all that apply)

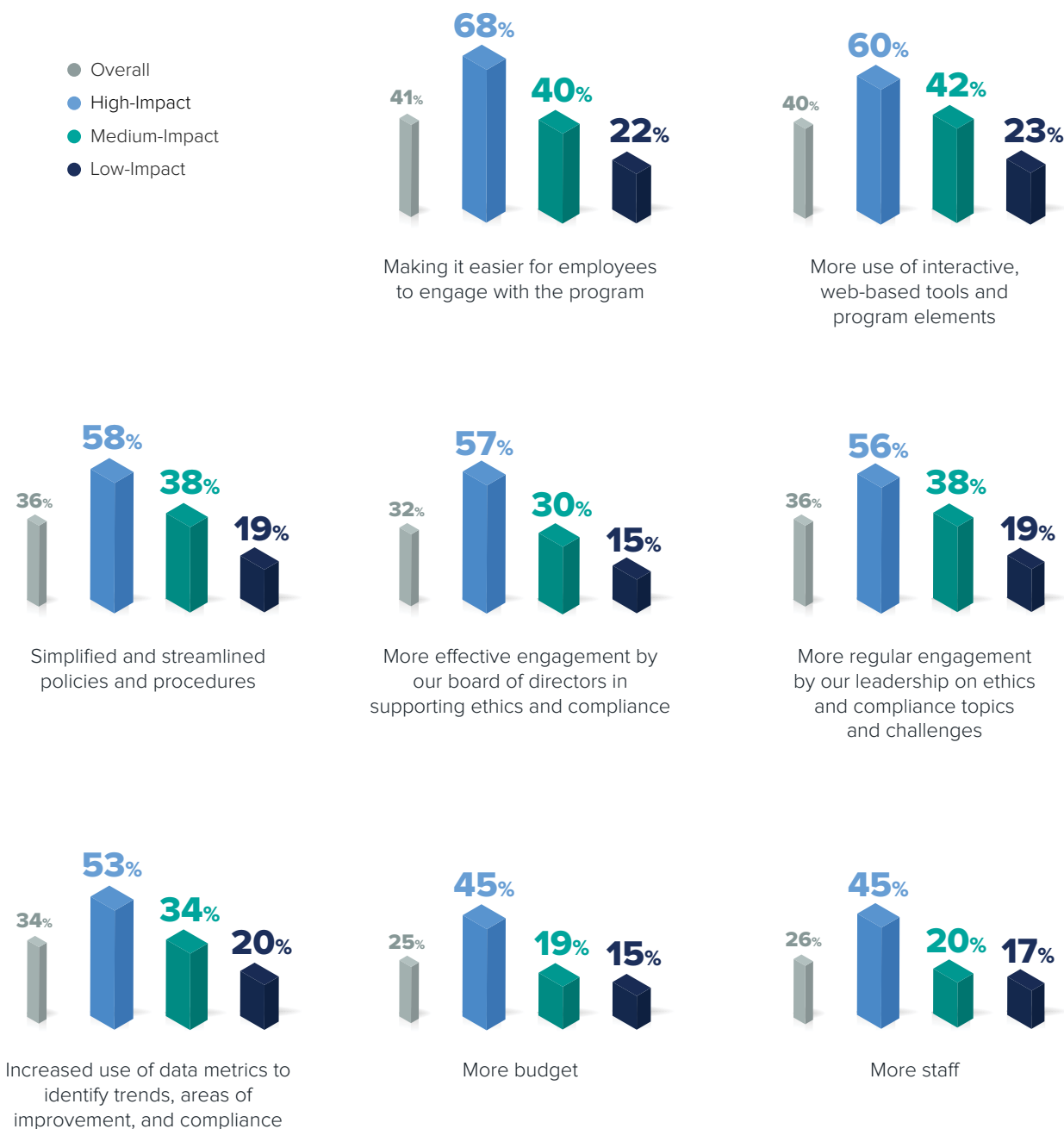


2 E&C programs will continue to play an important role

Moreover, the majority of respondents expect their firms to continue to improve their E&C programs. They also expect support from senior leaders and boards of directors to increase.

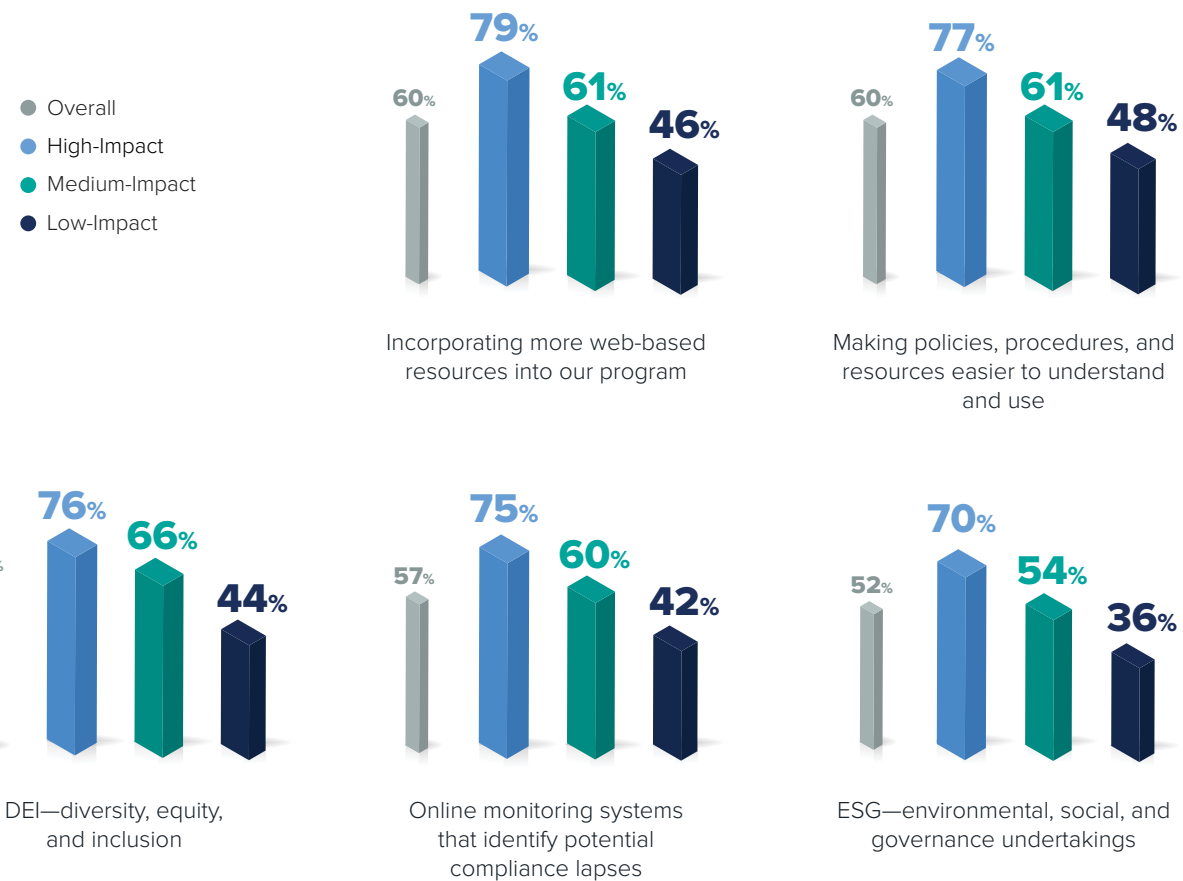
The COVID crisis is likely to positively impact our ethics and compliance program in the following ways:

(% Yes)



3 Respondents also plan to address emerging trends as a priority

What new areas of focus are a priority for your program in the next 12 months?
 (% High priority | 4 & 5 on 5-pt scale)



The high-performance difference

An important part of LRN's annual program effectiveness report is identifying the differences between high-impact and medium- and low-impact programs based on our research and methodology (click [here](#) for a description). This year's report provided detailed data documenting those differences.

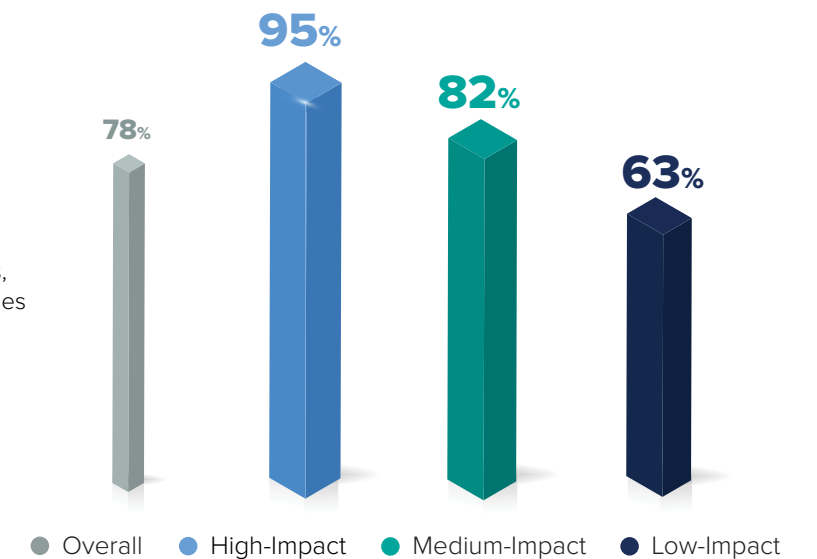
Key finding:

Our research shows that high-impact programs are 50% more focused on values than low-impact programs.

Program focus on values

(% Agree)

Our organization has emphasized our company values, rather than rules and procedures, to motivate employees to do the right thing in difficult circumstances

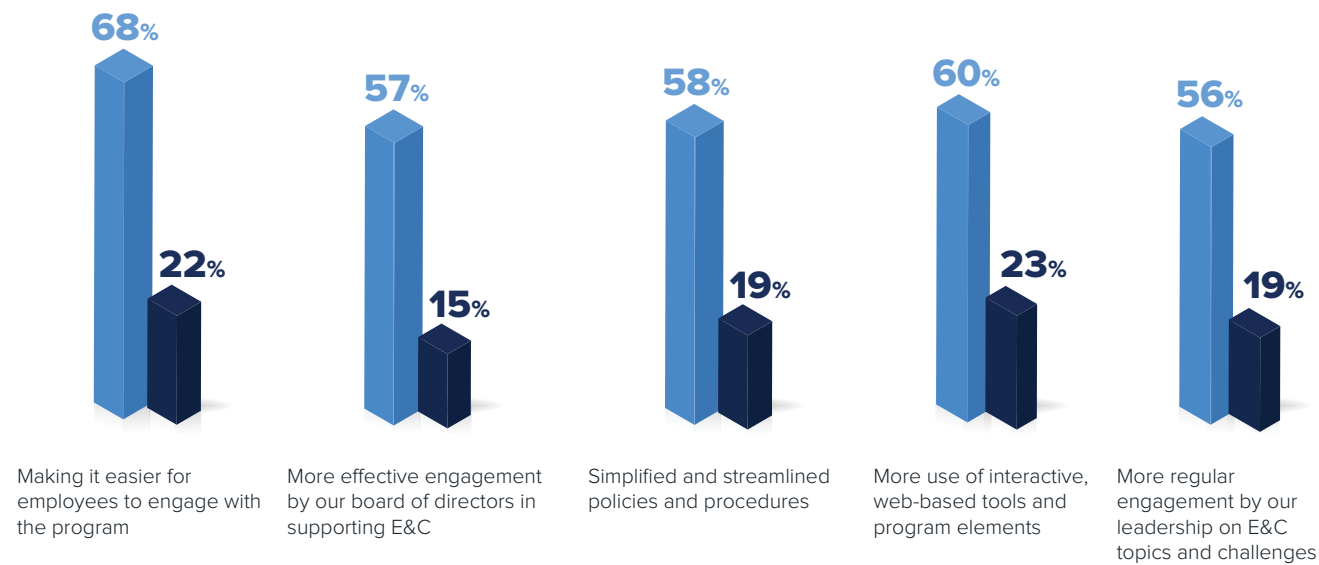


And, as this year's data demonstrate, high performers are substantially more effective at meeting the challenges of a crisis, impacting their organizations, and managing their programs.

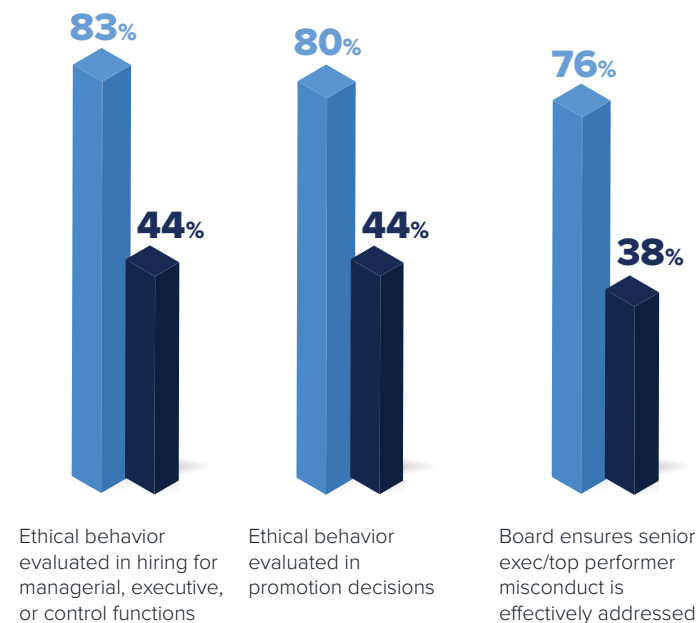
Where high performers excel

● High-Impact ● Low-Impact

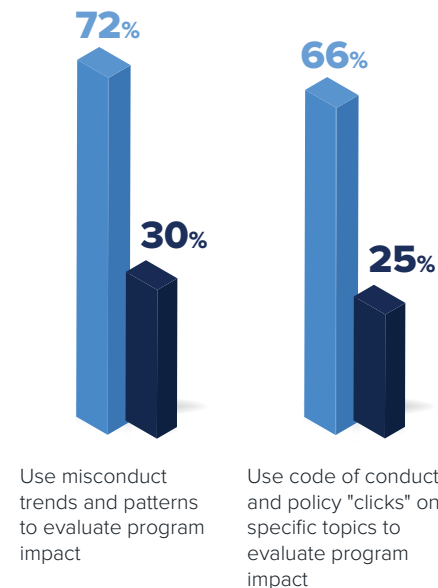
Meeting the COVID crisis



Impacting their organizations



Managing their programs



High-performing organizations...

On average scored **27** percentage points higher than low-performing organizations in weathering COVID, rating their leaders as effectively handling the crisis, rating their ethical culture as having strengthened, and being responsive to their employees' needs.

Do a better job—by **36** percentage points on average—at making ethical behavior a significant factor in the employee life cycle of hiring, performance evaluation, promotion, and bonus decisions compared to low-impact organizations.

High-impact programs...

Use or value metrics to gauge program impact and identify areas for improvement, on average **33** percentage points more than low-impact programs.

Are more proactive—by **30** percentage points on average—than low-impact programs on updating their program focus in areas such as DEI, ESG, online monitoring systems, web-based resources, and using a mobile-friendly app for program elements.

Have more stature, resources, leadership support, and impact on business decisions than low-performing programs (average gap **27** percentage points).

Have more robust programs in general—including digital, searchable policies, periodic assessments of culture, training that includes features for employees to ask questions, and investing in training enhancements that make it easier for remote employees (average gap **22** percentage points).

Conclusion

“Moral leadership is more than singular actions: It is a series of choices, values, and behaviors that one must repeatedly choose to pursue.”

– Dov Seidman, Fortune Magazine, April 2021

Last year, our research showed that companies and organizations relied upon their values to go above and beyond their legal and regulatory obligations and meet the challenges of the pandemic. This year, that positive and hopeful trend continues. Leaders led by embracing ethics and compliance, rather than bypassing it as irrelevant or burdensome—and strengthened their organization’s ethical culture by doing so. Ethics and compliance teams’ efforts were validated, as their programs helped shape their organizations’ response to the ongoing pandemic and continued to guide employee behavior.

E&C teams, particularly in high-impact programs, enhanced their programs and made it easier for employees to engage. Overall, they improved many aspects of their program operations—and plan to continue to do so.

The challenge now for those committed to values and principled performance is to internalize these lessons and embed them going forward in all that they do—making principled performance a reality, not just an aspiration.

Methodology



The 2022 Ethics & Compliance Program Effectiveness Report leverages LRN's Program Effectiveness Index. PEI is a proprietary framework for analyzing the impact of E&C programs to gain insight into ethical culture and how the program works "in practice."



Ethics and compliance professionals participating in the research were drawn from a global research panel fielded by Momentive and also included professionals from LRN client partners. All survey respondents were pre-screened to ensure their job responsibilities involve development, oversight, or implementation of ethics and compliance and/or legal objectives, policies, or procedures.



The survey results presented in this report are based on completed online interviews with a global sample of 1,164 ethics and compliance professionals; the vast majority (98%) are from corporations and organizations with a minimum of 1,000 employees.



The responding sample of ethics and compliance professionals represents 21 countries and 22 industries.



The survey was fielded from October to November 2021.

About the Program Effectiveness Index

Measuring outcomes, not just activities

The LRN Program Effectiveness Index (PEI) was introduced in 2016 to evaluate the impact that organizations’ compliance programs have on workplace behavior. The study provides insight into the ethical culture of the organizations surveyed, not merely their E&C program structures.

The 2022 Ethics & Compliance Program Effectiveness Report is based on a survey of 1,164 ethics, compliance, and legal experts around the world, representing more than 20 industries.

How we quantify program effectiveness

LRN’s *Program Effectiveness Index (PEI)* is a proprietary framework for analyzing the impact of E&C programs. Notable for its unconventional approach to program effectiveness, the PEI measures outcomes across three areas of critical workplace behavior rather than measuring program activities (such as the number of employees trained or hotline reports generated, etc.) to gain insight into ethical culture and how the program works “in practice.” The areas we measure are ethical decision-making, organizational justice, and freedom of expression.

Ethical decision-making:

Are the choices employees make animated by values or expediency?

Organizational justice:

Are senior executives and high performers held to the same standards of conduct as other employees?

Freedom of expression:

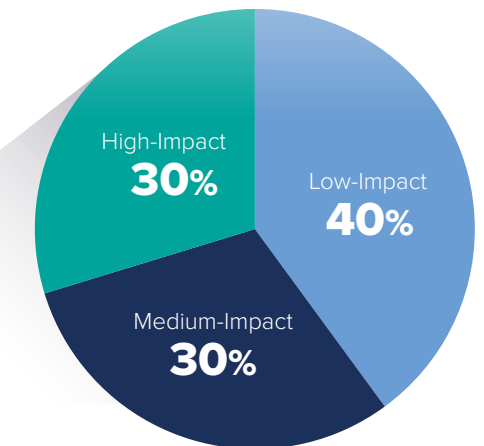
Do employees speak up, contribute willingly, and exchange ideas freely?

Respondents rated their organizations against the following eight statements using a five-point agree/disagree scale:



We combined and averaged these responses to generate an overall PEI score for each survey participant’s organization. LRN then sorted the scores from lowest to highest and broke the score distribution into thirds. We consider those programs whose PEI score falls in the top third of scores—30% of our overall sample—to have a “high impact” on organizational culture and strategy as demonstrated by their indicia of a healthy ethical culture. Those that fall in the middle and bottom third are characterized as having a “medium impact” or “low impact” on their organization’s culture and strategy, respectively.

Distribution of E&C Programs



LRN’s Program Effectiveness Index and accompanying report, therefore, rank programs by their workplace impact. This methodology differs from most surveys of E&C programs, the majority of which focus on measuring activities, not outcomes. This approach is consistent with the shift in regulators’ approach to evaluating E&C program effectiveness and the extent to which programs work “in practice.”

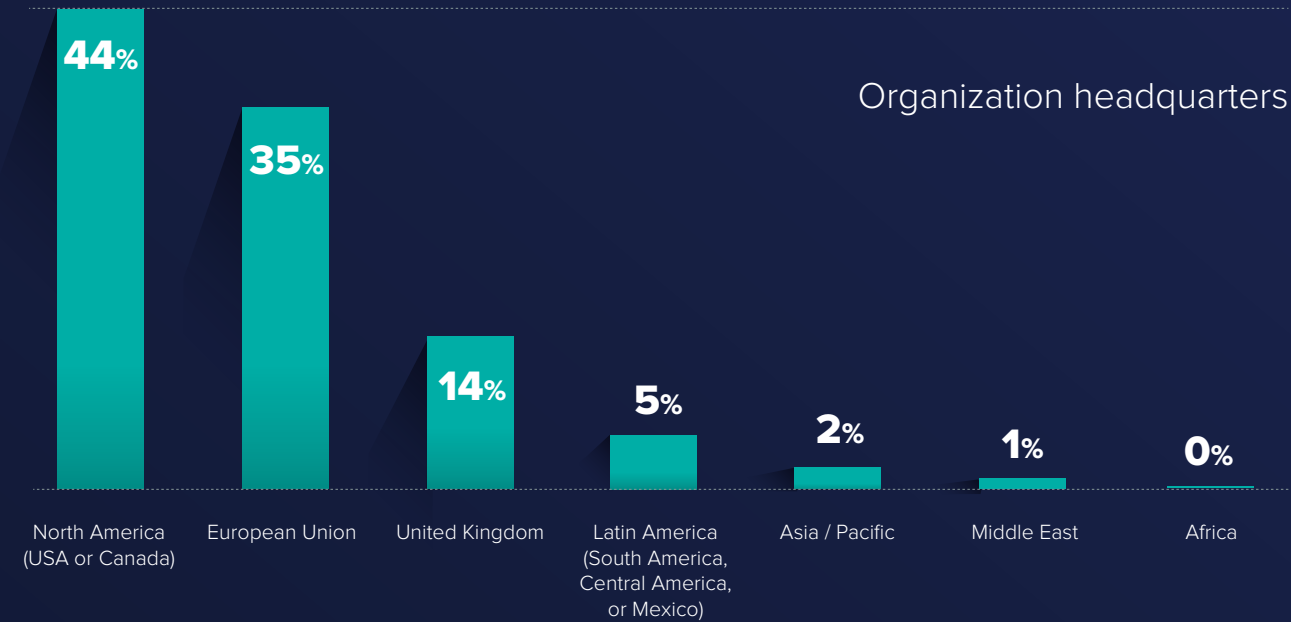
About the 2022 Ethics & Compliance Program Effectiveness Report

Respondent demographics

Company size (# employees)



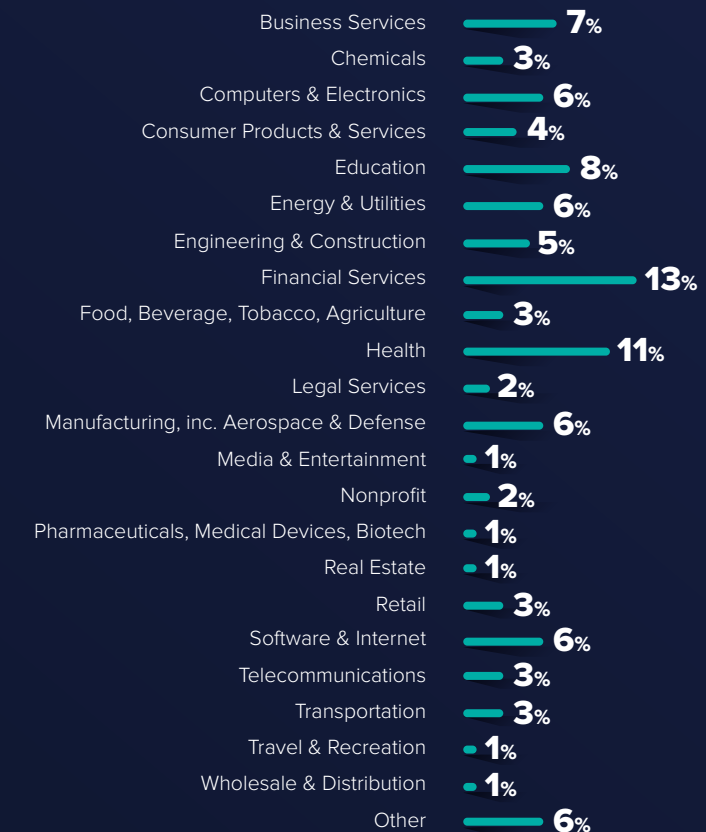
Organization headquarters



Participant role



Industry



Participant location



