

PRACTICAL GUIDE FOR **MEASURING INTEGRITY CULTURE IN COMPANIES**



Global Compact
Network Germany



**TRANSPARENCY
INTERNATIONAL**
Deutschland e.V.

PRACTICAL
GUIDE FOR
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INDEX OF ABBREVIATIONS

Afln	Alliance for Integrity
AI	Artificial Intelligence
CoC	Code of Conduct
DEI	Diversity, Equity, and Inclusion
D&I	Diversity and Inclusion
DOJ	US Department of Justice
EEI	Employee Engagement Index
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
EY	Ernst & Young (consulting and auditing firm)
HR	Human Resources
ILO	International Labour Organisation
ISO	International Organisation for Standardization
IT	Information Technology
KPIs	Key Performance Indicators
LACAN	Latin America, Caribbean, and Canada
MIT	Massachusetts Institute of Technology
OECD	Organisation for Economic Co-operation and Development
SME	Small and mediums-sized enterprise
TI	Transparency International
UN GCG	United Nations Global Compact Germany
VW	Volkswagen (German automotive company)

SUMMARY

In an increasingly dynamic and competitive business world, ethics and integrity are no longer aspirational ideals but essential pillars for companies aiming to build trust, a solid reputation, and sustainable success. There has been a normative increase of requirements in that field though recent developments show that this is not a linear path. Understanding what constitutes a culture of integrity, how to achieve it, and how to measure it is therefore a critical challenge and a commitment to continuous improvement. This involves fostering an environment of shared values that inspire the actions of everyone within the organisation.

Through this guide, you will find:

- ▶ A definition of organisational culture and integrity culture, along with their implications for the daily behaviour of the individuals who are part of a company,
- ▶ The multiple benefits the operationalisation of integrity culture generates in terms of reputation, sustainability, talent attraction, innovation, profitability, and the attraction of responsible investments,
- ▶ Practical tools to measure integrity culture,
- ▶ Good practices adopted by various companies to effectively measure their culture of integrity,
- ▶ Challenges which were jointly identified,
- ▶ Areas for further investigation and learning.

This guide is designed as an accessible and action-oriented tool for business leaders, ethics and compliance officers, human resources managers, and other stakeholders interested in building more integral and sustainable companies. This includes consultants, auditors, certifiers, prosecutors and legislators, academics, activists, and civil society representatives.

To the best knowledge of those who commissioned this guide, no similar document currently exists. Therefore, it aims to contribute to a broader discussion on measuring a culture of integrity. The guide can be read in its entirety or consulted chapter by chapter as needed. It is complementary to the previous publication of the UN Global Compact Germany (UN GCG) "Corporate Integrity: Catalogue of practices" (2022) which presented an initial approach of measuring culture of integrity.

The development of this guide involved extensive research, drawing on both academic and practical sources. Interviews were conducted with companies, members of the UN GCG and corporate members of Transparency International Germany. Additional companies were analysed through desk research (see methodology for details), representing varying levels of experience in integrity culture assessment.

Feedback and further insights were gathered from discussions in the UN GCG working group on “Integrity in Companies” and from individual member reviews. The expertise of the consulting team and the editor also informed the final content. While the interviewed companies are all large businesses, several of the methods outlined to measure integrity culture can be applied by small and medium-sized enterprises (SMEs). Rather than implementing all described systems, SMEs should focus on selecting the most effective approach to assessing their internal culture of integrity as part of their anti-corruption policies.

As you explore this content, you will not only find answers to your questions but also inspiration to implement or strengthen strategies that place integrity at the heart of your organisational culture.

1. INTRODUCTION

Is it possible to measure organisational culture, especially a virtue-related component such as integrity culture, ethics culture or compliance culture? Academics have explored this question for decades, yet the global compliance community has not yet reached a consensus on a standardised approach. As a result, measurement has not been widely recognised as a critical benchmark for assessing the success of compliance efforts.

At the same time, both governmental and non-governmental entities have increasingly acknowledged the importance of measuring these cultural dimensions. Initiatives from the US Department of Justice and the International Organisation for Standardization have introduced the idea of measuring such cultural concepts (see chapter "Compliance with increasing normative measurement requirements").

Building on these developments and the growing body of experience from companies that have tested their own approaches to measuring their compliance or integrity culture, this guide addresses the question of whether measurement can and should be done to provide additional, critical information about the effectiveness of a company's compliance and integrity management system.

This guide offers a comprehensive approach that combines academic research, practical case analysis, and insights from pioneers in the field. In the initial phase, a review of specialised literature was conducted to identify theories, models, and practices related to measuring integrity culture. This was followed by in-depth interviews with leaders and experts from companies dedicated to organisational integrity, providing an applied and up-to-date perspective on the subject. Finally, practical cases were analysed, and the findings were integrated to develop a guide that combines conceptual ideas with practical utility.

A key feature of this guide is its modular design, allowing its readers to engage with the content as a whole or by individual chapters. Each section addresses a specific topic, making it easy for readers to access the most relevant content based on their interests or immediate needs. This makes the guide a flexible and adaptable resource for different organisational contexts and professional objectives.

2. PURPOSE OF THE GUIDE

This guide serves multiple purposes:

- ▶ It provides a basic understanding and practical guidance to those who wish to start measuring or to improve the measurement of integrity culture in their own company.
- ▶ It offers insight into the maturity of companies in terms of their experience and ability to measure integrity culture and the level of transparency in the public use of the data.
- ▶ It consolidates and structures information that has not previously been collected and processed in a focused way.
- ▶ Beyond its immediate use, it is intended to be used by a wider audience to debate and improve measurement practices and to identify common standards and gradually build consensus on recognised methodologies and/or indicators.
- ▶ It helps to identify future areas of research to focus on.

3. BASIC CONCEPTS

3.1 ORGANISATIONAL CULTURE

Organisational culture is the set of shared beliefs, values, and practices of a group of people. Organisational culture represents the organisation's identity – its “way of being” – but ultimately exists through the individuals who embody it. One organisation can have several subcultures due to, for example, different geographic locations, management styles, functional roles of different departments. Deliberately trying to shape a joint culture can support the effort to focus all the members' activities on the same goal, especially if the culture shall be value oriented.¹

In other words, an organisation's culture is ultimately the internal compass that guides how employees interact with each other and with third parties,

1 Tadesse B., A. & Lemi D., K. (2024) Organisational culture: a systematic review. Cogent Business & Management, 11(1):1-23. Available at: <https://doi.org/10.1080/23311975.2024.2340129>

how they approach their work, how they make decisions, and how they solve problems. Organisational culture establishes a reference framework through which individuals understand the organisation's purpose, what is expected of them, and how they are allowed to act, even if such expectations are not formally established.

For this reason, many companies today strive to promote, develop, and strengthen a culture of integrity that enables them to achieve success and sustainability.

3.2 INTEGRITY CULTURE

Many different cultural concepts have been used in the compliance and integrity management context, including compliance culture, integrity culture, ethics culture, speak-up culture, error culture, to name a few. This guidance does not aim to provide an academic analysis of the distinction of each of these concepts but rather focuses on integrity culture. The reason for this is that aspiring integrity means aiming beyond a mere rule-based compliance approach, aiming as high as possible in an organisational context.

Business integrity is a characteristic of organisational behaviour that entails acting in accordance with the ethics, values, norms, and rules established by the organisation within the context in which it operates. Therefore, the company considers that its goals also encompass the way in which desired results are achieved. This is where the value of not just complying with norms and rules comes into play, but rather acting with integrity, which means doing the right thing because it is the right thing to do, with the expectation of positive spill-over effects that compensate for any sacrifices - at least in the long run.²

Without clearly defined values and guidance, individuals within an organisation may act inconsistently, making decisions based on personal criteria or erratic interpretations of what is correct or acceptable. This can lead to contradictory behaviour and decisions that are not aligned with the organisation's strategic objectives, and, inevitably, diverge from what we understand as integrity.

2 Paine, L. S. (1994). Managing for organisational integrity. Harvard Business Review, 72(2), 106–117. Available at: [Managing for Organisational Integrity](#)

For this reason, companies must first reflect on and establish which ethical behaviours, values, and rules they will promote, and which ones will be disincentivised. This framework will form part of the organisation's purpose and strategy. Without these definitions, it will be difficult to speak of a culture of integrity. However, merely having these guidelines is not enough. Achieving the desired behaviours requires working on individuals' experiences and beliefs to align them with the organisation's values and providing the necessary tools and incentive system to support them.

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Integrity culture, therefore, requires an intrinsic factor: the establishment of values and principles, which are reflected in clear rules codified in policies, procedures, codes, and more. These rules, in turn, must be known by everyone working within the organisation and communicated to effectively motivate behaviour, especially by those in leadership positions because of their influence and example.

When the daily actions of an organisation's member consistently reflect its established values, a culture of integrity takes root. Further benefits of such a focus will be discussed in more detail in the next section. Finally, it is important to emphasise that integrity in companies also encompasses efforts to prevent corruption. However, a company with integrity requires incorporating efforts to respect other human rights and legal compliance requirements, and to promote diversity, equity, and inclusion.

4. BENEFITS OF FOCUSING ON INTEGRITY CULTURE AND ITS MEASUREMENT

A culture of integrity within an organisation is essential for its long-term success. It not only establishes the foundation for responsible business conduct but also generates multiple benefits that positively impact various aspects of the business. Measuring and continuously monitoring the culture of integrity is therefore a prerequisite for having an idea of its strength. This monitoring is crucial for maintaining high standards of integrity and fostering a positive and equitable work environment.

Below are the key benefits of implementing and sustaining a culture of integrity, as well as measuring its impact:

4.1 KEY BENEFITS OF A FOCUS ON CULTURE OF INTEGRITY

4.1.1 PREVENTION OF COMPLIANCE RISKS

First and foremost, a culture of integrity ensures compliance and thus prevents compliance risks. Survey results, such as those in the EY Global Integrity Report, regularly show a significant number of employees at all levels who admit to a willingness to violate compliance rules. For example, **“nearly four out of 10 (38%) global respondents admit they’d be prepared to behave unethically in one or more ways to improve their own career progression.”**³ This highlights the need for effective cultural initiatives, as these address areas where traditional compliance management often fails to make meaningful progress.

4.1.2 EFFECTIVE WHISTLEBLOWER PROTECTION

According to the *Global Business Ethics Survey 2023*, **“retaliation remains at an all-time high, with almost half of employees globally (46%) indi-**

3 Ernst & Young (2024) Global Integrity Report 2024. Available at: https://www.ey.com/en_gl/insights/forensic-integrity-services/global-integrity-report

cating that they experienced retribution for reporting observed misconduct.”⁴ A culture of integrity aims to protect those who act ethically and with integrity. It is therefore an indispensable element of an effective whistleblower management system whose reputation, and thus that of the entire compliance management system, depends on the trustworthiness of the speak-up processes.

4.1.3 **STRONG BRAND, REPUTATION, AND BUSINESS SUSTAINABILITY**

Today, society expects companies to demonstrate responsible behaviour. Business partners are increasingly aware and demanding regarding the reputation, compliance and integrity standards of the organisations they engage with – to meet due diligence requirements or align with their own values. A brand's strength is built not only on the quality of its products and services, but also on how the company conducts itself.

As highlighted in the 2021 special report, “Trust: The New Brand Equity by Edelman Trust Barometer,” nearly nine out of ten people (86%) expect brands to take one or more actions beyond their products and business, such as donating money to good causes, addressing social challenges, and supporting local communities. In fact, two out of five people (40%) stated that there are brands they used to love but no longer purchase because they do not trust the company behind the brand.

A culture of integrity helps companies be perceived as trustworthy and responsible, thereby strengthening relationships with customers, partners, and the broader community. In doing so, it positively builds their brand and reputation. Furthermore, responsible behaviour enables companies to thrive in the long term, transforming them into sustainable businesses.

4.1.4 **OTHER BENEFITS FOR THE COMPANY**

a. Attraction and Retention of Talent: A culture of integrity fosters both internal and external trust, which helps to attract the most qualified and highly skilled individuals. Workplace satisfaction also reduces employee turnover and enhances talent retention.

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4 Ethics & Compliance Initiative (2023) Global Business Ethics Survey 2023. Available at: <https://www.ethics.org/gbes-2023/>

The 2024 report, "Unlocking the Secrets of Employee Retention," by Great Place to Work highlights pride in the workplace as one of the three main drivers of talent retention. The report states: *"When employees are proud of their work, they are 2.2 times more likely to stay."*⁵ A culture of integrity can be a source of such pride.

b. Enhancing Innovation: When a culture of integrity creates an environment of psychological safety that promotes diversity and inclusion—where individuals can express themselves without fear of retaliation, and their differences and contributions are valued and respected—people are more motivated to contribute creative and bold ideas.^{6, 7}

A constructive approach to mistakes, viewing them as learning opportunities rather than reasons for punishment, reduces employees' fear. This, in turn, encourages them to take calculated risks and experiment with new ideas.⁸ A supportive environment that fosters continuous learning is essential for innovation, as it allows employees to explore and experiment with new ways of doing things without fearing negative consequences.

c. Improvement of Performance and, Consequently, Profitability: A culture of integrity is not only essential for an organisation's reputation and sustainability but also has a significant impact on productivity and profitability. Ethical and responsible practices can optimise organisational performance and decision-making, generating financial benefits.

When employees feel connected to the company's purpose, they are more likely to give their best in their roles, remain loyal, and provide feedback even in challenging situations. Furthermore, when everyone is aligned and working toward the same goals, that cohesion fosters greater resilience in critical situations and facilitates teamwork.^{9, 10}

5 Great Place to Work (2024) Unlocking the Secrets to Employee Retention. Available at: <https://pubfiles.greatplacetowork.com/root/com/Unlocking%20the%20Secrets%20to%20Employee%20Retention-Great%20Place%20To%20Work.pdf>

6 International Labour Organisation (2022) Transforming enterprises through diversity and inclusion. Available at: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_dialogue/%40act_emp/documents/publication/wcms_841356.pdf

7 Page, M. (2022) Diversity Management Studie. Available at: Diversity | Michael Page

8 Narasimhan, V. (2021) How to Cultivate Psychological Safety and Why It Matters. Available at: <https://www.linkedin.com/pulse/how-cultivate-psychological-safety-why-matters-test-vas-narasimhan/>

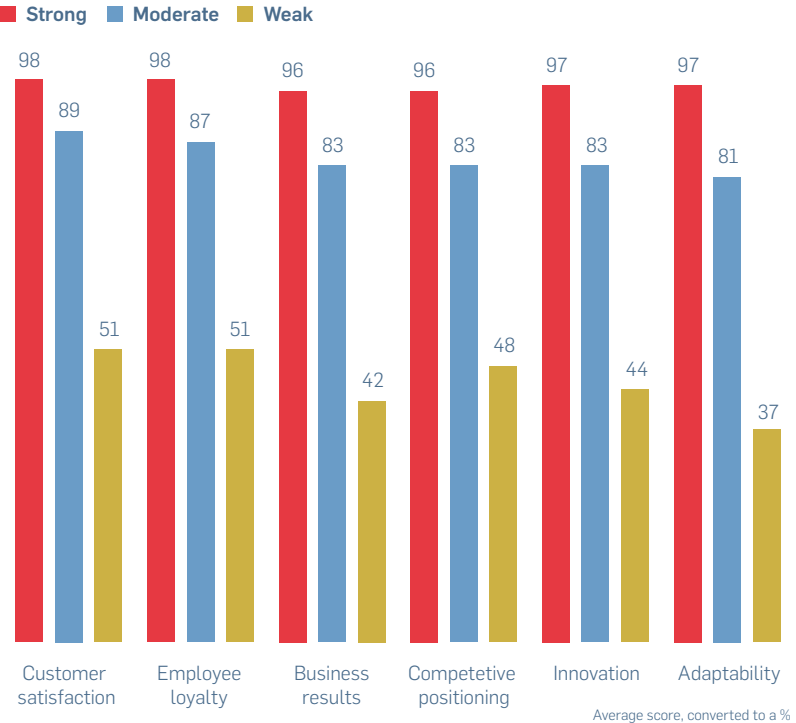
9 Harvard Business Review (2020) Build a Culture That Aligns with People's Values. Available at: <https://hbr.org/2020/04/build-a-culture-that-aligns-with-peoples-values>

10 McKinsey & Company (2023) Diversity Matters Even More: The case for holistic impact. Available at: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact#/>

Evaluating performance through the dual lens of results and ethics ensured that financial success is achieved without compromising values.¹¹

Research shows that companies with strong ethical cultures outperform their peers by approximately 50 percentage points in critical areas such as customer satisfaction, employee loyalty, innovation, and adaptability. These organisations also report lower levels of misconduct and higher rates of ethical behaviour being addressed.¹²

Organisations with strong ethical cultures outperform



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11 Culture Partners & Stanford University (2023) Adaptive Alignment on Purpose, Strategy, and Culture is the TRUE Driver of Business Results. Stanford University. Available at: [Culture Partners-StanfordResearch-Report.pdf](#)

12 LRN Corporation (2024) Benchmark of Ethical Culture 2024: Unveiling the Link Between Company Culture, Misconduct, and Risk. New York: LRN Corporation. Available at: <https://lrn.com/resources/benchmark-of-ethical-culture-report-global-edition>

13 Chart extracted from the report prepared by LRN Corporation (2024) Benchmark of Ethical Culture 2024: Unveiling the Link Between Company Culture, Misconduct, and Risk. New York: LRN Corporation. Available at: <https://lrn.com/resources/benchmark-of-ethical-culture-report-global-edition>

In addition, a culture of integrity attracts socially responsible investments, as there is a positive correlation between sustainability and financial performance. This is closely monitored by large global institutional investors who increasingly consider ESG aspects, along with financial considerations, in their decision-making.¹⁴

4.2 SPECIFIC BENEFITS OF MEASURING INTEGRITY CULTURE

4.2.1 COMPLIANCE WITH INCREASING NORMATIVE MEASUREMENT REQUIREMENTS

Over the past couple of years, regulatory bodies such as the U.S. Department of Justice (DOJ) and non-state actors like the International Organisation for Standardization (ISO) have taken steps to introduce the concept of **measuring compliance and integrity culture**. The DOJ's "Evaluation of Corporate Compliance Programs" prompts investigators to ask: "How and how often does the company measure its culture of compliance?" and "What steps has the company taken in response to its measurement of the compliance culture?"¹⁵

Similarly, the annex of ISO 37031 includes recommendations for measuring the culture of compliance (see A.5.1.2). More recently, the European Sustainability Reporting Standards (ESRS) have been adopted, requiring disclosures related to "business ethics and corporate culture, including anti-corruption and anti-bribery, the protection of whistleblowers," as well as how the company "evaluates its corporate culture" (cp. Disclosure Requirement G1-1).¹⁶

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 14 Bloomberg Intelligence (2023) ESG Market Navigator: Global Dual Survey of C-suite Executives and Senior Investors. Available at: <https://assets.bbhub.io/media/sites/25/2023/11/BI-ESG-Market-Navigator-Presentation-Public-Version-03Nov2023.pdf>

15 U.S. Department of Justice (2024) Evaluation of Corporate Compliance Programs. Available at: <https://www.justice.gov/criminal/criminal-fraud/page/file/937501/dl?inline>

16 European Union (2023) Regulation (EU) 2023/2772. Available at: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772>

4.2.2 OBTAINING A DIAGNOSIS OF THE CURRENT STATE OF COMMITMENT TO VALUES

As a well-known saying goes, “culture eats strategy for breakfast.” An organisation’s culture reveals the behaviours that truly prevail beyond formal policies or public declarations. Measuring integrity culture enables an understanding of whether the organisation’s stated values are effectively embedded in daily practices.

Identifying gaps between declared values and actual behaviour is key to preventing and managing reputational, legal, and operational risks. For instance, companies may publicly assert a policy of “zero tolerance,” but in practice, such statements may be undermined by a variety of reasons: misaligned incentive systems or lack of support in dealing with ethical dilemmas. Measurement can bring such barriers and challenges to light, facilitating meaningful dialogue and necessary corrective action.

4.2.3 VALIDATION OF MEASURES IMPLEMENTED WITHIN THE COMPLIANCE AND INTEGRITY MANAGEMENT SYSTEM

Measurement implies the inclusion of the perspective of those directly affected by the Compliance and Integrity Management System. When well designed, effectively implemented, and thoughtfully interpreted, measurement serves two main purposes:

First, it confirms whether planned actions have been properly carried out and whether resources have been wisely invested. Second, it can help to assess whether these implemented initiatives are generating the desired impact.

This process supports informed decision-making aimed at redesigning actions and strategies if the planned initiatives prove inadequate for achieving the expected objectives. For example, if a reporting system appears to be objectively well-designed and compliant, but trust in the reporting system is low, the desired impact will not be achieved, and the cause of the mistrust needs to be identified and addressed. Conversely, measurement may also serve to counter perceptions that are overly critical or misinformed.

4.2.4 **ENCOURAGING LEADERS TOWARD ETHICAL AND EXEMPLARY LEADERSHIP**

Measurements provide leaders with actionable insights that enable them to align their integrity-related actions with the organisation's integrity goals. These insights can help leaders reinforce areas for improvement, sustain successful practices, and prioritise actions that model ethical conduct.

Measurement also helps leaders identify the kind of organisational support they need to meet integrity-related expectations. Finally, it can reveal instances of poor leadership, which then can be addressed in a constructive and informed manner.

4.2.5 **CREATING A VIRTUOUS CYCLE OF CONTINUOUS IMPROVEMENT**

Measuring compliance and integrity culture should not be treated as a one-off activity. It is part of a continuous, iterative process that allows organisations to fine-tune their systems based on evidence and feedback.

This dynamic approach ensures that the path toward a culture of integrity remains relevant and responsive to both internal developments and external pressures.

5. TOOLS AND GOOD PRACTICES FOR MEASURING A CULTURE OF INTEGRITY

In this chapter, we review two key elements: first, the tools commonly used to measure a culture of integrity; and second, a selection of good practices identified during the development of this guide.

At the heart of any measurement effort lies data. To begin, several initial questions need to be addressed:

- ▶ What types of data already exist within the company that may directly or indirectly reflect the state of its culture?
- ▶ What relevant data is currently missing but could be generated?
- ▶ Who owns the data or should be responsible for it/should be the data owner?
- ▶ What challenges might arise in accessing, generating, or interpreting this data? What challenges arise in sharing data?

ON DIRECT AND INDIRECT INDICATORS:

To measure culture, companies can consider both direct and indirect KPIs.

Direct KPIs have an immediate and relatively clear relationship with the object being measured, such as survey questions related to the integrity culture.

Indirect KPIs do not directly measure the target concept but can provide valuable insights when properly contextualised. For instance, the number of reported retaliation cases may not explicitly measure integrity culture but can serve as an important signal when interpreting the broader organisational environment.

By combining both types of indicators, companies can develop a more nuanced and accurate picture of their integrity culture.

When initiating a measurement project, the following general assumptions can be made:

- a. There is existing data that the compliance department has **direct access** to as the owner of the data, e.g. information on the reporting system.
- b. There is relevant data that **another department** has access to, such as employee satisfaction surveys or turnover rates, which is commonly managed by Human Resources.
- c. There is **publicly available data** such as reviews on external employee feedback platforms that can be accessed by anyone.
- d. There may be **some relevant data missing** that will need to be created for the purpose of the measurement project.
- e. And there may be **some data unknowingly missing**: As the field of integrity culture measurement is still a dynamic field of practice and research, certain indicators that are not currently tracked may, in the future, be recognised as highly relevant. When such insights emerge, companies will need to adapt by integrating these new data points into their measurement frameworks.

Finally, given the rapid and disruptive advancements in **technology**, companies must remain open to adopting new methods for processing and analysing data. These innovations may expand the pool of available data and improve the depth and accuracy of insights.

These considerations will be considered further in the presentation of tools and good practices.

5.1 TOOLS TO MEASURE CULTURE-INDICATIVE INFORMATION

A variety of tools and methods can be used to gather insights into an organisation's integrity culture. These tools may be administered by different departments and where feasible, it is recommended that they be applied in a coordinated and complementary manner.

Below are several examples drawn from the interviews and further research conducted for this publication:

5.1.1 CULTURE SURVEYS

- ▶ **Culture surveys**, also referred to as climate surveys, can be a powerful tool for capturing and assessing employees' perceptions of the organisation's integrity culture, provided they are well-designed and implemented. These surveys typically include questions on integrity, ethical leadership, workplace fairness, and trust in reporting systems. The results can help identify areas requiring improvement, surface neglected or unidentified risks, and highlight existing strengths.¹⁷
- ▶ **Generic culture surveys** are usually conducted by the **HR department**, or a department dedicated to **strategy and organisational development**. When the survey specifically aims to gather information on the culture of integrity, it is usually initiated by the compliance departments.
- ▶ Some **external providers** have been measuring various elements of organisational culture in companies for some time, offering survey methods and benchmarking data.¹⁸
- ▶ **External stakeholders** such as clients or suppliers can also be considered in survey efforts to gain a more comprehensive view of how the company's integrity culture is perceived beyond its internal boundaries.
- ▶ **All companies interviewed** for this publication, as well as those identified through additional research, reported using surveys to measure company culture.

17 Bussmann, K.-D. & Volk, E. (2021) Tue Gutes und sprich darüber. Compliance-Berater, 12, pp. 486–487. Available at: U1_CB_12_21.indd

18 Due to the importance of this measurement tool, it will be revisited in section 6.1 of this guide.

5.1.2 INTERVIEWS AND FOCUS GROUPS

- ▶ **Interviews and focus groups allow** for a deeper exploration of employees' perceptions and experiences related to the organisation's integrity culture. These qualitative methods provide detailed insights into how integrity is experienced on a daily basis and help identify potential barriers and enablers of ethical behaviour.
- ▶ These formats are often used in a **complementary way** to support the interpretation of survey results, especially when additional context is needed for meaningful analysis.
- ▶ Usually, the **compliance department**, the **Human Resources department**, or a collaborative effort between the two is responsible for such dynamics.
- ▶ Key considerations when setting up a **focus group**:
 - a. **Clearly define the objective** of the focus group.
 - b. Develop relevant questions that align with the objective. Consider starting with light, introductory questions to put participants at ease before moving into core topics. Conclude with an open invitation for final thoughts and feedback.
 - c. **Plan for a session duration** of one to two hours.
 - d. Consider a **neutral or informal setting** outside of the usual workspace to reduce distractions and foster open dialogue.
 - e. **Provide participants with details**, for example a brochure that outlines the purpose of the focus group, a welcome note, and general guidelines for the discussion.
 - f. **Engage an impartial, professional moderator** to ensure balanced and unbiased facilitation.
- ▶ **Two** companies featured in this publication – **Glencore** and **Siemens** – confirmed using interviews and focus groups as part of their culture measurement approach.

5.1.3 360-DEGREE PERFORMANCE EVALUATIONS

- ▶ **360-degree performance** evaluations gather feedback on an employee from multiple perspectives, including superiors, coworkers, subordinates, and occasionally customers. This provides a comprehensive - both cross-sectional and vertical - assessment of how an individual's ethical behaviour is perceived across various contexts. It also can help identify areas where further development or training is needed.

- ▶ To integrate this tool into integrity culture measurement, it is necessary to **adapt relevant questions** from previous culture surveys (if applicable). While the data focuses on individuals and therefore differs for each case, aggregating results across the organisation can offer a more targeted assessment of integrity culture.
- ▶ These evaluations are typically **conducted by the Human Resources department**.
- ▶ **Three** companies interviewed or otherwise identified for this publication use employee interactions for culture measurement, **always** in combination with other tools and data (**HSBC**, **SAP**, and **Scout24**).

5.1.4 EXIT INTERVIEWS

- ▶ **Exit interviews** provide a valuable opportunity to obtain honest feedback from employees who are leaving the organisation. These interviews can reveal ethical issues that may have gone unaddressed and offer suggestions for improving the organisational culture and work environment. The information gained can be crucial in implementing changes that foster a more ethical and appealing culture for employees.
- ▶ This information can also be analysed in relation to the stated reasons for an employee's departure, which may include – though may not be limited to – unethical leadership behaviour, poor team integration, or the absence of an inclusive workplace.
- ▶ **Human Resources** is usually responsible for conducting and managing exit interviews.
- ▶ **Two** companies interviewed for this publication use exit interviews for the purpose of culture measurement. In both cases, this is done in combination with other tools and data (**DHL** and **Scout24**).

5.1.5 MIX OF TOOLS AND OTHER INDICATORS

By implementing a combination of the tools mentioned above, organisations can gain a comprehensive and nuanced view of their integrity culture. For example, surveys and quantitative assessments can offer broad, comparable data, while interviews and focus groups yield deep, contextual findings. Integrating results from these various tools enables companies to identify trends, recognise areas of risk, and develop effective strategies to strengthen their integrity culture.

In addition to the specific tools discussed, it is both pragmatic and helpful to incorporate further valuable information that may already exist within the organisation into the approach for measuring the culture of integrity. This includes **indirect KPIs**, such as

- ▶ employee turnover/ fluctuation rates,
- ▶ absenteeism rates,¹⁹
- ▶ performance evaluation results - when considering criteria such as integrity culture (see Deutsche Bank example below).

These indicators serve as **additional sources of analysis** that enrich the overall understanding of the organisational culture.

Other potential indicators worth mentioning:

- ▶ **Assessing the extent to which corporate values are reflected in key decisions** and evaluating the alignment between integrity-related messaging and company values.²⁰
- ▶ **Measuring how frequently leaders communicate the importance of integrity** across all levels of the organisation and checking whether this reinforces a culture of compliance throughout the company.²¹

The main advantage of including indirect KPIs in the analysis of integrity culture lies in the fact that they offer objective and continuous data. When combined with tools such as surveys, interviews, and focus groups, these indicators allow organisations to obtain a **more comprehensive view**. In fact, preliminary analysis of such data can help improve the **design of questions** to be asked through the indicated tools, with the objective of obtaining even more valuable and precise information.

It is important to bear in mind that the **correlation** between indirect indicators and the culture of integrity is **not inherently given**. These data sets must be interpreted within the specific context of the company. For instance, a high rate of absenteeism could be attributed to the physical rigor

19 Martínez, A. et al. (2005) Workplace absenteeism as a consequence of organisational variables. *Psicothema*, 17(2), pp. 212–218. Available at: <https://www.psicothema.com/pdf/3090.pdf>

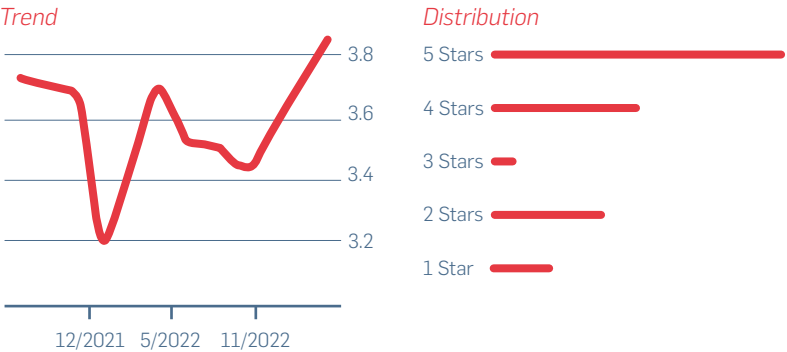
20 Alliance for Integrity & UN Global Compact Network Germany (2022) Corporate Integrity: Catalogue of Practices. Germany. Available at: [AfIn_Corporate_Integrity.pdf](https://www.afin.org/afin-portal/media/2022/05/global-integrity-report-2024-how-can-trust-survive-without-integrity)

21 EY (2024) Global Integrity Report 2024: How Can Trust Survive Without Integrity? Available at: https://www.ey.com/en_us/media/webcasts/2024/05/global-integrity-report-2024-how-can-trust-survive-without-integrity

of the required labour, or a high turnover rate could be explained by inadequate remuneration.

Finally, in addition to internal data, **external data** when analysed in context with internal data, can **help validate or challenge internal observations**.

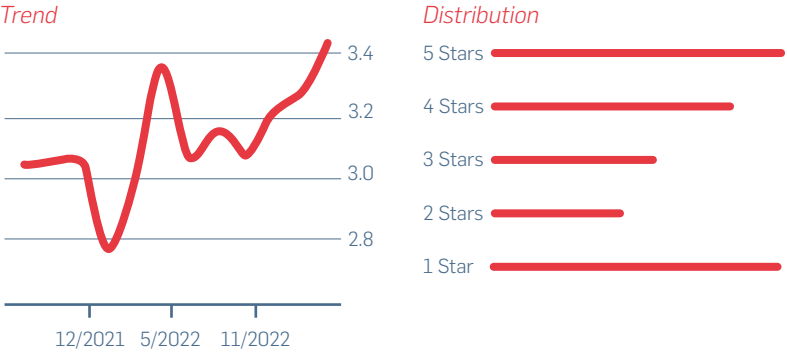
Culture & values



"Culture & Values" evaluation details of random company on Glassdoor

For example, **Glassdoor**, a company that specialises in employee reviews, provides numerical data based on a 5-star system (**quantitative**) and written comments (**qualitative**) over a period of more than a year. One rating section is on **"Culture & Values"** (see random company above).

Senior management



"Senior Management" evaluation details of random company on Glassdoor

Another evaluation category focuses on "Senior Management" (see sample company above). For an **academic perspective** on the use of such data, refer to the following box.

Open company review platforms like Glassdoor and Kununu allow for **monitoring (former) employees' perceptions of organisational culture and values.**

Donald Sull, senior lecturer at the MIT Sloan School of Management, together with Charles Sull, investigated the use of these platforms and concluded:

*"External data from job sites like Glassdoor or Indeed can provide unvarnished feedback on how well an organisation is doing in addressing toxic culture throughout its ranks. The topics employees discuss in online reviews can reliably predict whether a company is likely to commit corporate misconduct or be sued. Leaders cannot afford to disregard external employee reviews when trying to assess their corporate culture, warts and all."*²²

The authors "analysed 128 topics that employees discussed in Glassdoor reviews, to identify those that best predicted extremely negative reviews." Their "analysis identified five attributes of culture — disrespectful, non-inclusive, unethical, cutthroat, and abusive — that rendered a culture toxic in the eyes of employees."²³

5

5.1.6 AI TOOLS

Artificial intelligence (AI) is already playing a crucial role in managing ethical values and fostering a culture of integrity, particularly in larger companies. Its use is rapidly evolving, with ongoing developments aimed at broader and more advanced applications. AI can be employed in various ways, including:

- **Managing and understanding data:** Some companies have developed proprietary AI tools to process, structure, and interpret data according to their specific needs. This allows them to quickly interpret data in an organised and comprehensive manner, enabling them to jointly analyse the results of both direct and indirect KPIs – for example, combining information on the number of complaints and reports with data on absences, staff turnover, and other variables.

²² Sull, D. & Sull, C. (2022) How to Fix a Toxic Culture. MIT Sloan Management Review. Available at: <https://sloanreview.mit.edu/article/how-to-fix-a-toxic-culture/>

²³ Sull, D. & Sull, C. (2022) How to Fix a Toxic Culture. MIT Sloan Management Review. Available at: <https://sloanreview.mit.edu/article/how-to-fix-a-toxic-culture/>

► **Analysing employee-generated content:** A company's intranet and social platforms are an invaluable source of information for analysing both the external and internal perception of a company's integrity culture and reputation. AI tools can monitor mentions, comments, and posts in real time, detecting relevant ethical topics and potential reputational crises. AI can detect recurring themes, identify areas of concern, and monitor the effectiveness of ethical initiatives. In addition, advanced sentiment analysis tools can determine the tone of interactions—whether positive, negative, or neutral—while specialised algorithms identify risk patterns linked to ethical reputation.²⁴

5.2 12 GOOD PRACTICES

At this stage, drawing on insights from the conducted interviews and the reviewed documentation, we present a selection of **good** practices for measuring an organisation's culture of integrity. Each example highlights the specific emphasis and approach taken by the respective company.

The cases are presented in **alphabetical order** to ensure neutrality and ease of reference.

5.2.1 ALBEMARLE: ACADEMICALLY PROVEN CULTURAL RISK ASSESSMENT MODEL

Albemarle has developed a structured, data-driven approach to assessing and managing cultural and ethical risks within the company. Its key tool is the **Ethics & Compliance: Culture Risk Assessment**, a voluntary evaluation implemented in 2023. Initially, it was rolled out in regions where implementation was more feasible based on criteria such as workforce size and cultural factors.

One portion of this assessment is conducted through a Teams survey sent to all employees of the site or region in scope, based on **Kaptein's shortened Corporate Ethical Virtues Model**²⁵. These are the ethical culture dimensions that are measured:

24 Ethical Systems (2023) Unveiling the Unobtrusive: The Rising Power of UICs in Culture Measurement. Available at: <https://www.ethicalsystems.org/unveiling-the-unobtrusive-the-rising-power-of-uics-in-culture-measurement/>

25 Huhtala, M. et al. (2018) The Shortened Corporate Ethical Virtues Scale. Available at: <https://doi.org/10.1111/beer.12184>

1. **Clarity of expectations:** refers to the concrete, comprehensive, and understandable ethical standards and normative expectations toward employees
2. **Congruency of supervisors:** pertain to the good ethical role modelling and integrity of supervisors
3. **Congruency of senior leadership:** pertain to the good ethical role modelling and integrity of senior leadership
4. **Feasibility:** refers to the adequate resources and the practical conditions that make ethical actions possible
5. **Supportability:** includes the shared support, trust, and commitment to common values in the organisation
6. **Transparency:** refers to the visibility of (un)ethical behaviour and its consequences to others
7. **Discussability:** means the possibility of raising and discussing ethical issues at work
8. **Sanctionability:** is the reinforcement of ethical conduct by rewarding ethical behaviours and punishing unethical ones

Exemplary items of the dimension **“Discussability”** are:

- ▶ “In my immediate working environment, there is adequate opportunity to discuss unethical conduct.”; and
- ▶ “In my immediate working environment, reports of unethical conduct are taken seriously.”

Additionally, Albemarle complements the survey with **other key indicators**, such as:

- ▶ Number and type of reports of potential non-compliance
- ▶ Number and type of investigations conducted as well as the substantiation rate
- ▶ Identification and classification of high-risk stakeholders
- ▶ Level of participation in ethics and compliance training

Using these data points, the company builds an evaluation report and once approved, a remediation plan is developed to identify high-risk areas and establish strategies to mitigate these risks.

5.2.2 DEUTSCHE BANK: 8% OF BOARD MEMBER BONUS
DEPENDENT ON CULTURE

Deutsche Bank measures employees' perceptions of **respect, collaboration, and inclusion** in the workplace through internal **surveys**. The insights from this data help adjust cultural initiatives to better align with the bank's strategic objectives.²⁶ In the case of one member of the Board of Managing Directors of Deutsche Bank, the CEO of Deutsche Bank USA Corp, 8% of the remuneration was dependent on the success of the **Promotion of DB Culture with Focus on Integrity and Behaviour** in 2023²⁷ (see penultimate row in picture below).

5

Vorstandsmitglied	Gewichteter Anteil (in %)	Individuelle Ziele	Zielerreichungsgrad (in %)
Christiana Riley ¹ (Mitglied bis 17. Mai 2023)	32,0%	Stärkung des Engagements mit US-Aufsichtsbehörden und Durchführung wesentlicher Kontrollverbesserungsmaßnahmen im Bereich Finanzkriminalität für Amerika und 2022 Comprehensive Capital Analysis and Review (CCAR)	[US market related activities]
[Implementation of the 2023 financial plan]	24,0%	Umsetzung des Finanzplans 2023 im Einklang mit der Risikobereitschaft und dem Kontrollumfeld, einschließlich Kundenbindung	N/A
	16,0%	Stärkung des Kundenengagements	[Strengthening customer commitment]
[Promotion of DB Culture with focus on integrity and behaviour]	8,0%	Förderung der DB Kultur mit Fokus auf Integrität und Verhalten	
	20,0%	Verhaltensziel [Behavioural goal]	

Annual Report Deutsche Bank 2023, translations their own

26 Deutsche Bank AG (2023) Geschäftsbericht 2023. Available at: <https://investor-relations.db.com/files/documents/annual-reports/2024/DB-AG-Geschaeftsbericht-2023.pdf>

27 Deutsche Bank AG (2023) Geschäftsbericht 2023. Available at: <https://investor-relations.db.com/files/documents/annual-reports/2024/DB-AG-Geschaeftsbericht-2023.pdf>

5.2.3 DHL: USE OF COMPLEMENTARY EXIT INTERVIEWS AND INTRINSIC MOTIVATION INSTEAD OF FINANCIAL INCENTIVES WHEN IT COMES TO ETHICAL LEADERSHIP

DHL conducts an **employee survey** globally to assess awareness of compliance standards and to gather feedback on ethical behaviour across the organisation. These include targeted questions that gauge employees' understanding of corporate norms and their alignment with the company's values. Furthermore, **exit interviews** serve as an additional tool to identify insights related to organisational culture and integrity.

DHL considers ethical behaviour and adherence to compliance standards as part of the overall leadership assessment, which may indirectly influence bonuses and career development opportunities. While compliance results can be factored into incentive structures, the organisation avoids creating a direct link between financial rewards and compliance performance to ensure that ethical conduct is seen as an integral part of the corporate culture rather than a means to achieve personal financial gain. To maintain this balance, compliance is embedded in leadership training programs and the corporate "tone from the top."

DHL regularly recognises compliance initiatives with a Compliance Compass Award and has been certified as a Global Top Employer by the Top Employers Institute in several of its divisions. DHL considers this as a reflection of its commitment to an inclusive work environment and highest standards of HR excellence.

5.2.4 GLENCORE: "CORPORATE VULNERABILITY" - EXAMPLE OF HIGH LEVEL OF TRANSPARENCY ON CRITICAL DATA

Glencore conducts **global employee surveys** every 18 to 20 months, as this timeframe allows the company to understand the issues raised, develop appropriate plans, and integrate them before reassessing. This process does not prevent the company from also seeking employees' opinions on specific topics related to its strategy and direction, as well as on areas of significant concern to the workforce. In addition, as a complementary measure, they have been working with small groups of employees in many locations worldwide to engage in more **in-depth conversations** about their attitudes toward ethical behaviour at Glencore and to assess their knowledge of the program.

The aims of these **focus groups** included:

- ▶ understanding the culture of ethics and compliance in each of the businesses;
- ▶ understanding **attitudes** towards ethics and compliance initiatives and opportunities to improve the effectiveness of the programme in key corporate offices, marketing offices and industrial assets; and
- ▶ identifying and, where relevant, piloting tangible actions aimed at enhancing the culture of ethics and compliance and strengthening the programme.

In its 2022 Ethics and Compliance Report²⁸, Glencore presented comparative results of its **People Survey**. This is of particular value to stakeholders as it gives an idea of the integrity journey. As one can see, **Glencore did not shy away from showing negative developments**.

5

Our People Survey results									
	This company is committed to ethical business practices.	This company sets business objectives that can be achieved without compromising our ethics or compliance commitments.	My direct manager acts ethically and in compliance with policies.	I feel free to speak my mind.	I can report unethical practices without fear of retaliation.	If a misconduct concern is raised, I am confident it will be addressed.	I am proud to work for this company.	Employees are committed to performing with integrity.	I know how to report ethical concerns or observed misconduct.
2020 Survey									
Favourable	85%	85%	88%	77%	80%	80%	86%	N/A	N/A
Neutral	12%	11%	8%	14%	13%	14%	11%	N/A	N/A
Unfavourable	3%	4%	4%	9%	7%	6%	3%	N/A	N/A
2022 Survey Networked									
Favourable	81%	81%	87%	78%	78%	79%	83%	83%	90%
Neutral	14%	14%	9%	13%	15%	14%	13%	13%	7%
Unfavourable	5%	5%	4%	9%	7%	7%	4%	4%	3%
Variation 2022/2020 (p.p.)									
Favourable	-4	-4	-1	1	-2	-1	-3	N/A	N/A
Neutral	2	3	0	-1	2	0	2	N/A	N/A
Unfavourable	2	1	0	0	0	1	1	N/A	N/A

Glencore **complements** the data **with a qualitative analysis** that also gives reasons for the negative results:

28 Glencore (2022) Ethics and Compliance Report 2022. Available at: <https://www.glencore.com/rest/api/v1/documents/static/57a5935e-4ba6-4a26-b03f-d3fb7a0b41df/GLEN-Ethics-and-Compliance-Report-2022.pdf>

"The scores for our networked population showed a small decline from previous very high levels in certain questions, including for those relating to pride in the company and the company's commitment to ethical practices.

This is disappointing, but it should be noted that the previous survey was conducted during Covid where there was significant additional attention placed on people-related issues and at a time where there was a significant increase in communications on purpose, compliance and wellbeing.

We also believe the resolution of the investigations which naturally impacted the company's reputation both externally and internally may have impacted the scores.

We will prioritise actions to restore pride and confidence to the previously high levels but take comfort from the fact that scores relating to ethical conduct amongst staff and their immediate managers remain consistently high."

In the 2021 Ethics and Compliance Report²⁹ Glencore even provided **partially disaggregated data** (as it is still globally aggregated) by the business unit for the 2020 results, indicating that marketing offices have the best group average scores (88), corporate offices come next (85), but have the lowest scores for confidence that concerns about misconduct will be addressed (78), and industrial assets have the lowest group average scores (83).

Outcome of people survey (in percentages)				
	Industrial assets	Corporate offices	Marketing offices	Weighted average
This company is committed to ethical business practices.	84	87	90	85
This company sets business objectives that can be achieved without compromising our ethics or compliance commitments.	85	84	88	85
My direct manager acts ethically and in compliance with policies.	87	93	94	88
I can report unethical practices without fear of retaliation.	79	84	85	80
If a misconduct concern is raised, I am confident it will be addressed.	79	78	85	79
Group average	83	85	88	83
< 80 80–89 > 90				

²⁹ Glencore (2021) Ethics and Compliance Report 2021. Available at: [GLEN-Compliance-Report_2021.pdf](#)

Apart from that, Glencore has involved members of its Board as workforce engagement directors. The Board has designated **workforce engagement directors who assess engagement around key ethics and compliance topics**. These directors also play an important role in promoting a culture of integrity and collecting feedback on its programme. Given the considerable geographic reach of the Group, the Board has appointed **all members of the Ethics & Compliance Committee** as workforce engagement directors. In addition, when any other non-executive director visits a site or an office, they participate in workforce engagement.³⁰

5.2.5 HSBC: CULTURAL PERFORMANCE METRICS, D&I AND 360° FEEDBACK

HSBC measures its success in corporate culture **through external recognition**, validating its performance in areas such as diversity and leadership effectiveness compared to industry standards (**Cultural Performance Metrics**):

- ▶ **Diversity and Inclusion (D&I):** HSBC sets goals to improve diversity within its workforce and leadership, monitoring progress as part of performance evaluations and linking success in these metrics to bonuses.
- ▶ **Leadership Effectiveness:** Indicators include team feedback and retention rates, as well as leaders' ability to create an inclusive and ethical environment.
- ▶ **Representation Analysis and Equality Policies:** Focus on assessing representation and implementing equality policies within the organisation for minorities and vulnerable groups.

HSBC integrates culture into performance evaluations through **360-degree feedback**, ensuring that leaders are assessed from multiple perspectives to promote the desired corporate culture. Additionally, they conduct a corporate culture evaluation using the **Integrity Barometer for Leaders**, which gathers data on the perception of leaders' integrity and their approach to ethical dilemmas.

5.2.6 METRO: USING KPIs AND QUARTERLY MEASURES TO BUILD COMPLIANCE AND AN ETHICAL CULTURE

To measure and continuously improve its compliance and ethical culture, Metro conducts regular **compliance employee surveys**, allowing for benchmarking and gathering honest, unfiltered feedback. The company also

30 Glencore (2023) Ethics and Compliance Report 2023. Available at: 2023 Glencore Ethics and Compliance Report

sets **compliance Key Performance Indicators (KPIs)**, including **Compliance Culture**, to evaluate the performance of compliance officers and relevant business entities. These KPIs are assessed quarterly to ensure on-going progress.

5.2.7 **NOVARTIS: AMBITIOUS STATE-OF-THE-ART APPROACH, EMBRACING PSYCHOLOGICAL SAFETY**

Psychological safety is a concept whereby team members feel they can safely express themselves at work. Novartis realised that employees' psychological safety is directly related to their willingness to report unethical behaviours, across countries, culture, seniority, and functions, with line managers playing a key role in fostering an ethical culture. It also highlighted that it is critical that when misconduct happens, there is a strong ethical climate for surfacing information so that leaders can respond quickly and appropriately.³¹

"PSYCHOLOGICAL SAFETY - #1 PREDICTOR OF TEAM EFFECTIVENESS"

Psychological safety, a concept developed by Harvard Business School Professor Amy C. Edmondson,³² is crucial for a culture of integrity as it **allows employees to express their ideas, concerns, and mistakes without fear of retaliation or negative consequences**.³³ By ensuring a safe environment, open and honest communication is fostered, which is essential for effectively identifying and addressing ethical issues. When employees feel they can speak freely, they are more likely to report unethical behaviour and engage in constructive discussions on how to improve ethical practices within the organisation.

In this regard, LRN Corporation highlights the importance of creating an environment where employees feel safe to share ideas, report inappropriate behaviour, make mistakes, and learn from them. **Psychological safety is a key predictor for reporting misconduct**, increasing the likelihood of such reporting by 2.4 times.³⁴

31 Novartis (2022) Q2 2022 ESG Update for investors and analysts. Available at: <https://www.novartis.com/sites/novartis-com/files/novartis-integrated-report-2022.pdf>

32 Edmondson, A. C. (1999) Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), pp. 350–383. <https://doi.org/10.2307/2666999>

33 Edmondson, A. C. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350–383. <https://doi.org/10.2307/2666999>

34 LRN Corporation (2024) Benchmark of Ethical Culture 2024: Unveiling the Link Between Company Culture, Misconduct, and Risk. New York: LRN Corporation. Available at: <https://lrn.com/resources/benchmark-of-ethical-culture-report-global-edition>

Psychological safety and reported misconduct



35

The 2021 Novartis **Ethical Baseline Survey** provides an overview of various ethics-related topics as part of an employee survey. With the assistance of **behavioural scientists**, the survey was designed with around 50 questions distributed across three categories: **Ethical Climate**, **Ethical Awareness [perception]**, and **Ethical Judgement [decision-making]**.

5

Measurability / KPI

Corporate culture assessment

The Ethical Baseline Survey 2021 from Novartis provides an overview of possible topics within the framework of an anonymous employee survey. A survey containing around 50 questions in three categories was conceived here:

Ethical climate

Perception of the immediate organisational environment in which employees find themselves, with a focus on

- ▶ Organisational justice
- ▶ Fairness & trust
- ▶ Control versus autonomy
- ▶ Psychological safety
- ▶ Loyalty

And whether they feel empowered and supported to do the right thing.

Ethical perception

A measure of how much employees actually pay attention to the moral and ethical implications of their decisions and actions (moral mindfulness, moral detachment), in relation to the following questions:

- ▶ What kind of misconduct have you already discerned in the organisation?
- ▶ How did you conduct yourself in relation?

Ethical decision-making

Perceptions of the way employees think about ethical issues and issues, with a focus on

- ▶ Clarity of expectations
- ▶ Awareness of prejudice
- ▶ Conflicting aims

More detailed information from the Alliance for Integrity's and UN Global Compact Germany's *Catalogue of Practices*.³⁶

35 LRN Corporation (2024) Benchmark of Ethical Culture 2024: Unveiling the Link Between Company Culture, Misconduct, and Risk. New York: LRN Corporation. Available at: <https://lrn.com/resources/benchmark-of-ethical-culture-report-global-edition>

36 Alliance for Integrity & UN Global Compact Network Germany (2022) Corporate Integrity: Catalogue of Practices. Germany. Available at: [Afin_Corporate_Integrity.pdf](#)

It was launched in January 2021 to all 150,000 associates (internal employees and **external contractors**), available in 15 languages, and was confidential and anonymous. More than 50,000 associates took part in the survey, representing 104 countries.³⁷ In 2023, Novartis received nearly 27,000 responses to its survey.³⁸

The annual survey is **complemented by other assessments**:

1. One focused on measuring **purpose, commitment, and sense of belonging**.
2. One called **Leaders Perspective**, aimed at leaders with teams under their supervision.
 - A bimonthly survey for employees about their leaders.
 - A survey in the Latin America, Caribbean & Canada region, directed at business-area stakeholders responsible for promoting and marketing their medicines.
3. They carry out visits to directly evaluate the **work environment and employees' psychological safety**.

In 2024, Novartis concluded a pilot project aimed at engaging directly with **workers in their supply chain**. This involved a comprehensive **survey on working conditions**. To address the survey's findings, they are actively providing ongoing capability-building support to strengthen their external partners' ability to implement effective solutions.

In addition, Novartis has developed its own **AI tools** to process, structure, and interpret data according to their specific needs, enabling them to jointly analyse the results of both **direct and indirect KPIs** (for example, information on the number of **complaints and reports** on one hand, along with data on **absences, staff turnover**, and other variables).³⁹

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 37 Novartis (2021) Anti-Bribery Report 2021. Available at: https://www.novartis.com/sites/novartis_com/files/anti-bribery-report-2021.pdf

38 Novartis (2023) Novartis in Society: Integrated Report 2023. Available at: https://www.novartis.com/sites/novartis_com/files/novartis-integrated-report-2023.pdf

39 Novartis (n.d.) Our Commitment to the Ethical and Responsible Use of Artificial Intelligence (AI). Available at: <https://www.novartis.com/esg/ethics-risk-and-compliance/our-commitment-ethical-and-responsible-use-artificial-intelligence-ai>

5.2.8 SAP: THE GREAT SET OF KEY PEOPLE-RELATED KPIS AND AI-BASED SENTIMENT ANALYSIS

The methodologies used at SAP include the **Ethical Business Survey** and worldwide employee surveys, which contain inquiries concerning workers' confidence in management and ease in raising issues. SAP works with partners to benchmark ethical practices and improve its initiatives, including universities, professional associations, and compliance associations. **AI-powered solutions** enabled to work with confidential data further examine sentiment and themes in anonymised comments, offering insights about psychological safety and organisational trust.

In addition, SAP tracks seven **key people-related KPIS** to measure and enhance its organisational culture, aligning it with ethical values and fostering innovation, trust, and employee satisfaction. The information is published in the annual reports. Among these, the **Employee Engagement Index** (EEI) is a critical metric that evaluates employees' connection to the company's goals and their overall satisfaction. This index is directly linked to the company's ability to maintain a culture of integrity, with improvements over recent years reflecting SAP's efforts to enhance the work environment through ethical leadership, transparent communication, and robust compliance measures. The EEI also informs policy adjustments and workplace improvements, ensuring employee feedback translates into meaningful change.

BRIEF EXCURSION ON EMPLOYEE ENGAGEMENT

Gallup uses employee engagement as a core indicator of workplace culture because, according to them, "Engaged employees have higher wellbeing, better retention, lower absenteeism, and higher productivity."⁴⁰

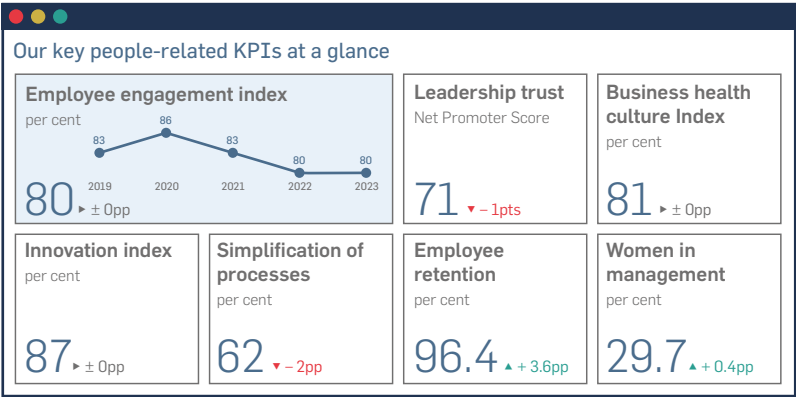
Annual Employee Engagement in the U.S., World and Best-Practice Organisations



Gallup does not have global engagement data for 2010, 2011, or 2017. Percentages for those years are included in the chart to connect other data points. Percentages for best-practice organisations are average percentages of engaged employees across annual Gallup Exceptional Workplace Award winners; percentages reflect the year that Gallup collected the winners' engagement data, not the year that Gallup named the award winners.

The Trust in Leadership indicator gauges employees' confidence in their leaders' ability to act as ethical role models and promote a psychologically safe environment. Measured through tools such as 360-degree feedback and ethical business surveys, this KPI has shown positive trends supported by SAP's leadership development programs, including Ethical Leadership and Ethical Choices. SAP highlighted the importance of this metric in driving a strong culture of integrity, noting that leaders set the tone for ethical behaviour throughout the organisation. While cultural differences influence perceptions, the company uses localised approaches to interpret and act on these results effectively.

⁴⁰ Gallup (n.d.) Indicator Employee Engagement. Available at: <https://www.gallup.com/394373/indicator-employee-engagement.aspx>



Information from Key People-Related KPIs in SAP Integrated Report 2023⁴¹

The **Innovation Index** reflects the degree to which employees feel empowered to share ideas and contribute to creative processes. This metric underscores the importance of a transparent and inclusive workplace where employees are encouraged to challenge norms. Recent improvements in the Innovation Index have been driven by SAP's initiatives to reduce hierarchical barriers and foster collaboration.

AI tools have played a pivotal role in analysing employee feedback, identifying obstacles to innovation, and tailoring solutions. These efforts align with SAP's broader strategy of leveraging data to reinforce its culture of integrity and continuous improvement.

Finally, **Employee Retention** serves as a key indicator of SAP's ability to maintain a satisfied and committed workforce. This metric is analysed alongside the EEI, Trust in Leadership, and Innovation Index to understand broader organisational trends. Retention rates have remained stable, reflecting SAP's success in aligning its workplace culture with employee values and expectations. Additionally, the **Global Ethical Business Survey**, which evaluates employees' comfort in reporting ethical concerns and their perceptions of compliance measures, shows consistent improvement. SAP emphasised that these interconnected KPIs create a holistic view of the company's cultural health, enabling the organisation to address gaps proactively and maintain its commitment to integrity.

⁴¹ SAP (2023) SAP Integrated Report 2023. Available at: <https://www.sap.com/integrated-reports/2023/en.html>

SAP has **KPIs for senior executives** measuring performance of their organisation in particular when it comes to the completion of compliance trainings. These actions may yield indirect indicators by quantifying the number of bonuses awarded and, comparatively, the variance in bonuses granted between periods.

5.2.9 SCOUT24: IT'S ALL IN THE MIX

Scout24 does not employ a specific methodology to measure and evaluate the effectiveness of its efforts to foster a culture of integrity. However, it leverages various tools, including **climate surveys**, voluntary **360-degree feedback**, **staff turnover analysis**, and **exit interviews**. These data sources are used to develop indicators that facilitate an **indirect collection of feedback** such as engagement surveys, inclusion surveys, upward feedback, and semi-annual performance and behaviour reviews.

5.2.10 SIEMENS: A COMPREHENSIVE APPROACH AND AI FORECASTING

Siemens measures culture and the effectiveness of its compliance program through **ethical climate surveys**, among other tools. The company measures and analyses **both quantitative indicators** (such as the number of compliance reports or misconduct incidents) and **qualitative indicators** (perceptions of culture and ethics from **interviews** and surveys) to comprehensively evaluate the state of its ethical culture. The **survey is conducted quarterly** and includes specific questions on compliance and integrity issues. These surveys provide regular feedback on employees' perceptions of the organisation's ethical culture. Siemens has integrated advanced digital tools into its compliance programme for monitoring and evaluation. These tools are applied across various areas to predict behaviours, and the company is **currently exploring the use of AI to forecast future compliance trends**.

5.2.11 SOLITA: TRANSPARENCY ON CULTURE OF DISCUSSION AND FREEDOM OF OPINION

In 2022, Solita, an IT company with 4000 employees, used a **survey** to measure how employees perceive the "culture of discussion and freedom of opinion" within the organisation, and published the results. Solita also facilitates discussions on topics regarding **inclusion** and feeling of **belong-**

ing, and how they are connected to courage.⁴² Reinforcing a culture of open dialogue and a sense of community can be important elements of organisational integrity.

Our discussion culture in numbers

At Solita, we follow how people feel about these topics with for example these statements. On a scale of 0-10, our current grades are good, but obviously, there are still things to do.

- My coworkers welcome opinions different from their own (8.7)
- I feel that our discussion culture at Solita promotes diversity, acceptance of everyone, equality, and inclusion. (8.6)
- At Solita people's ideas are judged based on their quality, and not based on who expresses them (8.6)

Information with results from survey in 2022

These assessments help Solita identify areas in need of improvement and ensure that the stated values are translated into real practices.⁴³

5.2.12 VOLKSWAGEN: PERCEPTION WORKSHOPS, SPEAK-UP ENVIRONMENT, AND INTERNATIONAL AVERAGES

For Volkswagen (VW), culture **surveys** play a key role, incorporating specific questions about integrity and the **speak-up culture**.

VW has conducted surveys as part of its **Perception Workshops**. The format supports local management in addressing aspects of integrity and speak-up-culture in their company and engaging in dialogue with employees. The surveys include statement questions addressing the interaction with leadership, familiarity with company values or knowledge about the whistleblower system.

⁴² Sivonen, O. (2022) Solita Culture – Part 3: Freedom of Opinions and Power of Words in the Organisation. Available at: <https://www.solita.fi/blogs/solita-culture-part-3-freedom-of-opinions-and-power-of-words-in-the-organisation/>

⁴³ Sivonen, O. (2022) Solita Culture – Part 3: Freedom of Opinions and Power of Words in the Organisation. Available at: <https://www.solita.fi/blogs/solita-culture-part-3-freedom-of-opinions-and-power-of-words-in-the-organisation/>

6. KEY CHALLENGES

Even when a company is convinced of the importance of measuring its culture of integrity and the impact it generates, one of the most significant challenges is determining which data and indicators to consider for this analysis. It must also be decided which department(s) will define, generate, and own the data, and how to create the necessary synergies to ensure that the information can be adequately shared, interpreted, and acted upon.

Regardless of the specific characteristics of each organisation, it is essential that leaders in Compliance and Integrity Management, People & Culture or HR, Diversity, Equity, and Inclusion (DEI), Risk Management, IT, Legal, and other relevant areas – identified consistently in the interviews – participate in a coordinated and collaborative manner throughout the process.

A number of other challenges should also be considered:

- ▶ **Past experiences with surveys matter.** If there have been breaches of confidentiality or a lack of follow-up in response to previous results, employees may be sceptical about the purpose or effectiveness of the current measurement effort. Trust may need to be regained before wider participation can be expected. Response rates can be an indicator of trust or signal survey fatigue.
- ▶ **Communication is key – both during and beyond the measurement process.** How the measurement project is introduced, the extent to which it is promoted during the project implementation and the transparency with which results are shared all influence its success. If communication has been neglected in the past, each new compliance and integrity project offers an opportunity to reset the tone of leadership and align it with a broader effort to strengthen integrity culture. Storytelling skills can enhance these efforts.
- ▶ **Clarity is needed on how to use the results.** Should the findings be (partially) shared, or used solely and confidentially by the compliance and integrity department (or by the department that leads the project, if different), at least during the pilot phase? Should the results be shared in more controlled settings such as workshops or published on the intranet to stimulate open discussion? A general recommendation could be that it is always easier to increase sharing than to restrict access later.

- ▶ **While the measurement itself may not be expensive**, preparation and follow-up may require resources that should be anticipated. This requires careful consideration before embarking on such a project. Measurement should only be undertaken in areas where there is both the will and capacity for change. It is advisable to consider outcome scenarios in advance.
- ▶ **Once culture of integrity is being measured, it becomes difficult to stop** without risking a loss of credibility. Discontinuing the process may lead to questions about accountability and raise concerns about what the organisation may be trying to avoid.

Additional challenges, many of which represent opportunities for development, are outlined in more detail below.

6.1 RECOMMENDATIONS FOR DESIGNING SURVEYS TO MEASURE INTEGRITY CULTURE

6

As surveys have been identified as the most common tool for measuring the integrity culture among the companies analysed for this publication, the following are some general considerations to keep in mind when designing them:

- ▶ **Ensure technical anonymity.** Guaranteeing respondent anonymity is key to encouraging honest responses and creating a sense of safety and trust. **Including general demographic parameters**, such as gender, department, or country, can facilitate the subsequent analysis of information. However, each additional parameter can reduce anonymity. Consider making such questions optional and placing them either at the beginning, so respondents can judge upfront how much they wish to disclose, or at the end, allowing for reflection on previously shared responses.
- ▶ **Keep the survey brief and concise.** Shorter surveys generally lead to higher completion rates and reduce the likelihood of dropout. **Use clear, neutral language and craft neutral questions.** Avoid leading or biased questions. Clarity and precision are essential to prevent misunderstandings and ensure valid data. Consider the level of specificity required to provide actionable insights. This means avoiding vague or broad questions, focusing on observable behaviours and ensuring one focus per question.

- ▶ **Include control questions.** Use differently worded questions that test the same construct to check response consistency and reliability.
- ▶ **Use consistent rating scales.** It allows for more effective data analysis. A uniform scale, such as the Likert scale – a symmetrical agree-disagree scale – simplifies data analysis and enhances comparability. Align with existing internal survey methodologies where possible for familiarity.
- ▶ **Incorporate open-ended questions.** Free-text responses from employees can provide powerful and practical insights, while also helping to prevent employees from answering the survey on autopilot.⁴⁴ This requires the ability to analyse large volumes of free-text responses, which is now more feasible with AI tools.
- ▶ **Test the questionnaire before launch.** Even scientifically rigorous designs can falter in real-world use. Pilot testing ensures clarity and usability.
- ▶ **Communicate clearly.** Clearly state the purpose and objectives of the survey, who will see the results, and how they will be used. Explaining purpose and follow-up of the survey and how it will benefit the organisation can motivate participation to emphasise the importance of respondents' contributions.
- ▶ **Set a defined timeline.** Establishing a clear start and end date for the survey helps structure the data collection process and manage expectations.

Designing a survey is not rocket science but it is not trivial either, especially when it intends to contribute to a statement about an abstract idea such as the culture of an organisation. While some argue that such efforts require multidisciplinary scientific input, including from anthropologists, in practice, **pragmatism eats perfection for breakfast** (to revisit the earlier quote, this time slightly modified). Any attempt to measure inherently simplifies a complex reality and is therefore necessarily imperfect. In other words, any measurement is a reduction of complexity and therefore imperfect. Measuring integrity culture means embracing imperfection. Standards therefore use the terms “appropriate” and “proportionate” to guide efforts.

Several established approaches to culture measurement already exist and are discussed in this publication. Moreover, a growing market of external providers offers tools and methodologies based on diverse conceptual frameworks.

44 Sull, D. & Sull, C. (2022) How to Fix a Toxic Culture. MIT Sloan Management Review. Available at: <https://sloanreview.mit.edu/article/how-to-fix-a-toxic-culture/>

Against this background, one might ask: Is it likely that at some point there will be some kind of generally accepted standard for measuring a culture of integrity? Or is such a standard even necessary? The next section – the final one before the conclusions – explores issues that may require further development.

6.2 AREAS REQUIRING FURTHER DEVELOPMENT

As indicated, this guide was developed based on a review of various documents, standards, and reports, as well as a series of interviews conducted with compliance and integrity experts from different types of companies at varying levels of maturity. Additionally, the insights of the companies in the UN Global Compact Network Germany working group on **Integrity in Companies**, TI Germany's corporate members, and the expertise of the consulting team and the editor were incorporated.

6 While many impressive practices were identified, there remain significant opportunities for improvement. Some of the key points, many of which are interrelated, highlight areas where further development is needed:

a. Confusion between measurement of output versus integrity culture

The research showed that many companies, when asked about how they measure their culture of integrity, often refer to standard compliance activities within their compliance management system. These include initiatives such as the existence of a code of conduct, training plans, or an ethics hotline.

While these efforts can indeed have an impact on the culture, they do not constitute sufficient indicators of a robust integrity culture. Nor do they ensure a cultural shift that fosters and sustains a culture of integrity within the company. Measuring the output of a compliance programme is not the same as assessing the company's culture.

This misunderstanding leads some companies to believe they are measuring integrity culture, when in fact, they are following a legal compliance approach,

trying to prove that all regulatory requirements have been formally met. This may change once regulators learn about the potential added value of culture measurement in evaluating the effectiveness of compliance and integrity management systems – turning it into a “hard” compliance requirement (see section “Compliance with increasing normative measurement requirements”).

b. Lack of coordination and synergy among key company departments

Although there are existing points of collaboration between the compliance department and other key areas such as HR, Legal, and Sustainability, **these partnerships may need to be restructured to ensure that a company’s culture of integrity is both accurately measured and meaningfully strengthened.**

Currently, these departments may work together on specific topics, such as risk mitigation, training, performance evaluation, and the management of complaints and investigations, but often do so in a fragmented manner. Departments may need to **collaborate more systematically to get a fuller picture of the company’s integrity culture**, e.g. through agreements and joint action plans.

This includes **defining what will be measured, how the necessary information will be collected, and how the data will be interpreted holistically.** Such an integrated approach ensures a more effective and cohesive strategy for assessing and fostering the company’s culture of integrity.

c. Advancing the design of specific KPIs to measure integrity culture

As there has not yet been an exhaustive analysis of KPIs specifically designed to measure integrity culture, and with emerging technologies offering new ways to analyse and interpret data, companies are encouraged to continue identifying and/or developing both direct and indirect metrics. These efforts create a more comprehensive understanding of an organisation’s culture of integrity and support more meaningful culture statements.

Although some organisations already hold valuable data, this information has not always been translated into concrete indicators that allow for an effective assessment of this critical aspect.

Among the **potential complementary KPIs for an integrity dashboard**, the following stand out:

- ▶ **Diversity-related KPIs:** There is evidence suggesting that diverse leadership teams can positively impact ethical disposition.⁴⁵ Metrics such as the average diversity in teams (per leader) could be considered in integrity culture measurement. According to the International Labour Organisation (ILO) report "Transforming Enterprises through Diversity and Inclusion", only one-third of the respondents indicated that their workplace measures progress in DEI and utilises these findings.⁴⁶
- ▶ **The number of terminations attributable to ethical breaches** or misconduct related to leadership behaviour. This KPI directly connects accountability with ethical culture enforcement. It signals whether a company is willing to uphold its standards even when it is uncomfortable and thus is a powerful litmus test of organisational integrity. However, it needs to be interpreted with caution and contextual interpretation alongside other indicators like reporting rates, whistleblower activity, or employee survey results.
- ▶ **Absenteeism rates**, which may reflect cultural or ethical issues. They can be used as a **diagnostic lens**. Their value lies in detecting patterns, that, when combined with other data, can reveal ethical blind spots, leadership failures, or systemic cultural issues before they escalate.
- ▶ **Recognition and incentive programmes for integrity:** Interviews and research conducted for this publication revealed that many companies have made progress in acknowledging and rewarding employees and leaders who embody integrity in line with company values. However, the impact of these practices on fostering a culture of integrity has not yet been systematically evaluated, representing an opportunity for improvement in culture measurement.

In a 2023 blog post, organisational psychology research scientist Brian Harvard proposed a number of "**unobtrusive indicators of ethical culture (UICs)**". These include non-traditional indicators such as:

45 McKinsey & Company (2023) Diversity Matters Even More: The case for holistic impact. Available at: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact/#/>

46 International Labour Organisation (2022) Transforming enterprises through diversity and inclusion. Available at: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_dialogue/%40act_emp/documents/publication/wcms_841356.pdf

- ▶ Social media activity (e.g. company messaging, customer interactions, etc.)
- ▶ Visual evidence of the work environment (e.g. workplace photos, evidence of the work environment/setting)
- ▶ Political affiliations or public activities of executives.⁴⁷

Such indicators may need wider scientific validation before being adopted into corporate KP frameworks for integrity but offer new insights into ethical culture.

d. Information on actual use of measurement data and long-term data

Little information was shared on how the data generated from measurement efforts was used to inform specific actions. Yet **actionability** – the capacity to translate indicators into concrete measures – is a crucial element in the context of culture measurement. Understanding how results are applied helps tailor future measurements for greater impact.

This also implies that presenting data from a single year is of limited value. Measuring integrity culture should be a **long-term effort**, allowing for the tracking of trends and the evaluation of how action plans based on measurement results influence outcomes over time. Longitudinal observation also provides insight into the effects of external factors unrelated to direct culture work, such as economic shifts, restructuring rumours, or incidents like scandals, that can distort or “contaminate” data interpretation.

Furthermore, it may be important to explore what dynamics emerge once certain indicators gain visibility or prominence. When metrics reach the status of **KPIs**, this can generate pressure on those being evaluated, such as a team leader encouraging subordinates to submit more favourable survey responses.

Measurement efforts need to be long-term, allowing for the observation of the development of indicators to understand how action plans drawn from measurement results impact these results over time. Long-term observation also allows a bigger picture consideration of possible outside influence beyond immediate work culture, like economic developments, rumours about restructuring, or incidents such as a scandal that may contaminate

⁴⁷ Ethical Systems (2023) Unveiling the Unobtrusive: The Rising Power of UICs in Culture Measurement. Available at: <https://www.ethicalsystems.org/unveiling-the-unobtrusive-the-rising-power-of-uics-in-culture-measurement/>

data clarity. It might also be relevant to learn what kind of dynamics ignite around the measurement indicators once they receive a certain protagonism. Once they reach the status of **Key Performance Indicators**, this may lead to increased pressure by affected actors, e.g. a team leader trying to influence his subordinates to leave good results in a survey.

There is a lot of potential for learning in this area. For this reason, sharing experiences and insights into the long-term use and interpretation of culture measurement data should be of particular interest to the compliance and integrity community.

e. Importance of company size and sector

In the introduction, it was noted that the tools presented are also applicable to **small and medium-sized enterprises (SMEs)**, although resource constraints may limit how many elements of the menu can be selected. To provide SMEs with more practical and targeted guidance on which combination of measurement tools might work best for them, it would be valuable to draw on established good practices or relevant research.

6

While the companies analysed in this publication come from different **sectors**, sectoral differences do not appear to significantly influence whether or not integrity culture is measured. However, it may be worth exploring whether, for specific reasons, such as particular stakeholder expectations, the concept of measuring integrity culture is easier to promote in some sectors than in others, or whether the results are handled differently depending on the industry. This may be a useful topic for further investigation.

f. Interculturality

Interculturality in companies operating across different regions presents the challenge of measuring and comparing integrity culture in diverse cultural contexts, where perceptions of **concepts like ethics, integrity, transparency, and leadership can vary significantly**. This starts with linguistic aspects, such as how to translate a question/affirmation from one language into the other, and extends to how results from the same item can be meaningfully compared across different cultural settings.

Another key challenge lies in the cultural influence on individuals' **trust and willingness to participate in such measurements**. In some cul-

tures, there is greater openness to discussing ethical values, while in others, there may be reluctance or discomfort. This can distort the results, leading to an underestimation or overestimation of perceived integrity in different locations.

The globally operating companies interviewed **acknowledged the existence of these challenges**. Many noted their **efforts to understand and interpret these differences**. However, beyond the experience of those analysing the data, **no systematic practices or tools have been identified** to standardise the process of interpretation.

For example, **SAP** recognises that regional differences in perceptions and actions may require a culturally sensitive approach. In countries where hierarchical norms are stronger, participation in 360-degree reviews or the use of anonymous whistleblower tools may differ compared to cultures with more open communication. To account for these nuances, SAP combines AI-based data analysis with input from local stakeholders to contextualise and interpret the results appropriately.

g. How much will AI influence cultural measurement?

The integration of AI into compliance and integrity management presents an opportunity to enhance an organisation's ability to measure and promote a culture of integrity. By analysing direct and indirect indicators, supporting ethical decision-making, predicting behaviours, and monitoring real-time reputational dynamics, AI has the potential to provide organisations with powerful tools to assess the effectiveness of their integrity efforts. The examples of **SAP** and **Siemens** demonstrate how AI can complement traditional methods by offering deeper insights and predictive capabilities while considering regulatory and ethical considerations.

Monitoring transparency in AI systems, including responsible disclosure and the ability to understand conclusions made by models is fundamental. Continuous evaluation is required to identify and address potential biases or "hallucinations" in the processed data, helping to ensure that AI-generated results remain accurate and ethically sound.⁴⁸

48 OECD (2024) Generative AI for Anti-Corruption and Integrity in Government. Paris: OECD Publishing. Available at: https://www.oecd.org/en/publications/generative-ai-for-anti-corruption-and-integrity-in-government_657a185a-en.html

As global attention remains focused on AI and organisations continue to explore its possibilities and limitations, it will be fascinating to observe how the field of cultural measurement evolves—both in the short and long term—through the application of AI technologies.

h. Transparency and data protection

Transparency offers a valuable opportunity for reputational gain, but it also carries the risk of increasing exposure to scrutiny and potential criticism. Practical examples reveal that some companies are willing to publish data on their measurement experiences, while others are not. Those that refrain from publishing often cite legal concerns. However, this has not discouraged companies that have chosen to share their data.

The **legal dimension** warrants further exploration. It remains unclear whether some companies underestimate the legal risks, others overestimate them, or whether no general conclusion can be drawn due to the influence of additional factors. These may include the specific legal and stakeholder expectations within a given industry, the countries in which a company operates, or company-specific circumstances that shape the decision-making process.

It will also be interesting to observe how future developments in **public employer reviews** affect the motivation to disclose such data. As companies increasingly face external assessments, they may need to decide whether to leave the interpretation of their integrity culture to outsiders or to retain narrative control by contextualising the results with their own data.

i. Integration of external stakeholders in own culture measurement efforts

In addition to engaging internal stakeholders, culture measurement efforts can be complemented by information from external stakeholders, such as business partners. These stakeholders offer a distinct perspective on the company and may possess information that is otherwise inaccessible or known only to a few within the organisation.

The only example of this in this publication is **Novartis**, which considers external contractors and, in another effort, focuses on the working conditions of its suppliers' employees. It will be interesting to see how more companies take advantage of experimenting with this external option to get additional feedback on their integrity culture.

j. Impact of integrity culture on the business case

Among all the points discussed so far, one that is as challenging as it is important is measuring how the culture of integrity impacts the economic performance of a company. **While all the companies interviewed clearly indicated that the culture of integrity positively affects business outcomes, none have yet been able to determine or measure that impact.** Some companies noted that the effect could at least be partially understood through **cost savings** achieved by avoiding sanctions or the cost of penalties already paid.

SAP acknowledged the difficulty of establishing a clear link between integrity and financial performance. The company tracks certain data—such as compliance performance and whistleblower reports—but emphasised how challenging it is to directly connect these metrics to financial results. However, measurable outcomes related to SAP's integrity efforts were cited, including a reduction in compliance violations, termination of unethical supplier relationships, and avoidance of fines.

It goes without saying that if the scope of this impact could be effectively measured and proven significant, it would provide stronger incentives for companies to recognise that effective compliance and integrity management is not a cost, but rather a valuable investment.

7. MAIN CONCLUSIONS

Measuring integrity culture is here to stay. Despite the challenges and the fact that many companies are still figuring out how to do it effectively – and gaining confidence in the methodology and result handling – the overall feedback has been positive: measuring integrity culture adds significant value to the corporate world and its efforts to strengthen business integrity.

It is not a field for perfectionists but for pragmatic professionals who are cautiously optimistic about identifying a set of indicators that provide a reliable picture of the company's integrity culture. A powerful element is the use of **employee-based measurement tools as a source of information. It leads to more democratic compliance and integrity management systems.** Ultimately, these systems should protect and support all members of an organisation, making it easier to do the right thing. By involving employees in the measurement process, organisations give them a voice in assessing whether the system is fulfilling its purpose or needs improvement.

While this guide provides an overview of different tools, company approaches, and experiences, it also highlights many areas for development, outlining a clear agenda for the future. **It is crucial to continue supporting companies in these efforts by offering safe spaces for exchange and sharing progress updates, such as through publications like this one.**

What lies ahead is a continuous learning process, where each organisation can adjust, innovate, and deepen its strategies for assessing the maturity of its integrity culture. Cultural diversity, technological advances, and emerging social challenges demand ongoing evolution, driving the development of more inclusive, accurate, and dynamic ways to measure and foster integrity. This is not a static destination but an ongoing journey where every effort contributes to building more transparent, fair, and committed companies.

We invite readers of this guide not to rest on their achievements but to view each step as an opportunity to move forward. **Measuring the culture of integrity is not only a tool for evaluation but also a source of inspiration and transformation.** Every initiative, no matter how small,

is a contribution to a more ethical and responsible business world. Let us continue building together - with determination, openness, and a long-term vision - a future where integrity is the foundation on which companies base their operations.

8. METHODOLOGY

To ensure the comprehensive development of this guide, a multi-faceted approach was employed, incorporating the following key elements:

► **Structured Interviews:** Extensive interviews were conducted with key stakeholders from six companies, utilising a crafted questionnaire (detailed in **Annex I**) to gather pertinent insights and data.

— The companies interviewed:

1. Albemarle Corporation
2. DHL Group
3. Novartis International AG
4. SAP SE
5. Siemens AG
6. Volkswagen AG

— Furthermore, two companies completed the designed questionnaire via written responses:

7. Metro AG
8. Scout24 SE

► **Case Study Analysis:** An in-depth analysis of practical case studies provided directly by participating companies was conducted, which has allowed for the identification of both good practices for measuring integrity culture, as well as the challenges this poses.

► **Review of public disclosures:** a review was undertaken to identify reports or other forms of information publicly disseminated by four non-interviewed companies pertaining to their implemented practices for measuring their culture of integrity:

9. Deutsche Bank AG
10. Glencore
11. HSBC Holdings plc.
12. Solita Oy

- **Academic and Professional Review:** Relevant academic documents and specialised literature, as referenced in the bibliography section, were reviewed to establish a theoretical foundation.
- **Collaborative Input:** Valuable contributions were solicited and integrated from the UN GCG working group on Corporate Integrity, fostering a collaborative and informed perspective.
- **Expert Consultation:** The guide benefited from the collective expertise of consulting firms and the editor, ensuring accuracy, clarity, and practical relevance.

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Christoph Kowalewski, Transparency International Deutschland

Consulting Team:

Paula Honisch, Honisch y asociados
Betina Duré, Honisch y asociados
Pilar Becerra, Honisch y asociados

Supporting Team:

Claudia Sanen, Alliance for Integrity / UN Global Compact Network Germany
Sebastian Schmitz, Alliance for Integrity / Un Global Compact Network Germany

Members of the Corporate Integrity Working Group:

Andrea Rondot, Abermarle
Felix Bürger, BASF
Mirko Bengel, BASF
Dr. Silvia Eder, BMW Group
Donata Luncz, Covestro
Andrea von Finckh, DB Station&Service AG
Janine Sliwa, Deutsche Bahn
Kai Fain, DICO
Rachel Vogel, EON
David Wilbers, Hochtief
Stephan Grüninger, HTWG Konstanz / Deutschen Netzwerks Wirtschafts-ethik

Maren Sert, Mercedes Benz

Joel Kirschberg, Metro

Isabelle Bern, Multi-Stakeholder Projects for Sustainable Textile Supply Chains

Melina Sharifian Pour, SMS Group

Angelika Pohlenz, Stiftung DGCN

Christoph Kowalewski, TI Deutschland

Benjamin Franz, TK Elevator

Maike Bauer, Traton

Nicole Dommer, Traton

Andre Friede, TÜV Rheinland

Katharina Riese, TÜV Rheinland

Almuth Czwikla, VW

Andrea Rodermund, VW

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