2014 Greater Omaha Organizational Ethics Survey
The Greater Omaha Alliance for Business Ethics (Business Ethics Alliance) is an initiative of Creighton University’s Heider College of Business in partnership with the Better Business Bureau, the Greater Omaha Chamber of Commerce, and the Omaha business community. The Business Ethics Alliance is a not-for-profit organization that builds leadership, strengthens organizations and elevates Greater Omaha through positive, practical business ethics.

The vision of the Business Ethics Alliance is to be the beacon of business ethics excellence for business communities around the world. We serve as a model for business communities seeking the self-awareness and means necessary for creating ethically prosperous places to live, work and play.

The core values of the Omaha business community are Accountability, Community Responsibility, Financial Vitality, Integrity, and Moral Courage.

The Business Ethics Alliance organizational core values are Big Impact, Ever Learning, Supportive, Tenacity, and Respect.

For more information about the Business Ethics Alliance, please visit our website at http://businessethicsalliance.org.
ABOUT THE 2014 ORGANIZATIONAL ETHICS SURVEY

The 2014 Greater Omaha Organizational Ethics Survey is the third survey about organizational ethics in the Greater Omaha business community. The purpose of the surveys is to understand the way that Omaha organizations manage ethics. It is not a measure of whether or not Omaha organizations are ethical.

The goal of the surveys is to serve as the benchmark on organizational ethics in Greater Omaha and as a template for other business communities to follow. The Business Ethics Alliance regularly conducts the survey in order to measure changes in organizations’ treatment of ethics.
CONTRIBUTIONS

The 2014 Greater Omaha Organizational Ethics Survey was conducted by the Business Ethics Alliance with support from:

- College of Business, Creighton University
- Better Business Bureau
- Greater Omaha Chamber of Commerce
- Greater Bellevue Area Chamber of Commerce
- Sarpy County Chamber of Commerce

The Business Ethics Alliance also thanks the following individuals for their contributions to the research effort:

- Visionary and Instigator: Butch Ethington
- Survey Editors: Lori Benton, Chris Burge, Matt Ellis, Esq., Butch Ethington, Dan Kennelly, Beverly Kracher, PhD., Julie Mahony, Eric Schelker, Rebecca Shively, Ph.D.
- Survey Implementation: Rebecca Shively, Ph.D.
- Survey Report Author: Beverly Kracher, Ph.D., Rebecca Shively, Ph.D.

The findings and conclusions of this report are those of the Business Ethics Alliance alone and do not represent the views of the contributors of this research project.
METHODOLOGY

Survey questions and methodology were established by the Business Ethics Alliance. Targeted populations were presidents, CEOs, chairs, executive directors, and owners of Greater Omaha businesses. The targeted list was compiled by the Business Ethics Alliance, Better Business Bureau, the Greater Omaha Chamber of Commerce, Bellevue Chamber of Commerce, and Sarpy County Chamber of Commerce. In addition, the Business Ethics Alliance purchased an e-mail contact list from a marketing services company that contained 550 e-mail addresses from Omaha business leaders ranked director level and above in their organizations. Electronic invitations to participate in the survey were sent through the Greater Omaha Chamber of Commerce online newsletter and evite systems, the Better Business Bureau newsletter, as well as from the Business Ethics Alliance Board Chair. The online survey, posted at SurveyMonkey.com was open from September 2 through October 31, 2014. Participants were told that their individual responses to the survey would be confidential and all reporting would be in aggregate. The participant base was an unscientific sample of self-selected respondents. 74 business people participated in the survey with 70 percent reporting that they are presidents, CEOs, chairs, executives, directors, and owners. The response rate from the 2014 survey was lower compared to the 2008 and 2010 surveys, despite using similar strategies to promote the survey to Greater Omaha businesses. Therefore, this report focuses on the cross-sectional results of the 2014 survey and examines broad themes longitudinally from 2008 to present. However, a direct comparison across the three surveys is not advised due to varying error bands. Convention suggests an acceptable margin of error ranging between 4%-8% at the 95% confidence interval. The margin of error for the 2014 Omaha Organizational Ethics Survey is 11%. Thus, results are reliable to within +/- 11% at the 95% confidence level.
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Introductory Remarks

Our 2014 Greater Omaha Organizational Ethics Survey Report is the third measure of how our organizations manage business ethics. When compared to the 2008 and 2010 reports, the results are similar, and for that reason, striking.

In 2008, 2010, and now again in 2014, we have found that Greater Omaha business leaders value ethical business climates, both within organizations and in the community. From this one could suppose that creating formal ethics and compliance programs would be embraced, just as formal safety programs have been embraced to drive home concern for workplace safety. But this is not the case.

I submit that our agrarian ethos is the basis of our reticence for formal ethics and compliance programs. Farm family tradition is that we do not talk about how much money we have or the principles by which we live. We hold these close to our hearts and we express ourselves, not through talk, but in our actions. This ethos is the basis of our Omaha business culture. Business leaders don’t want to be held up as saints or heroes. They don’t want to talk about their integrity and honor. They want to show them in their actions and role model them for others.

While this way of life is deep in our Omaha roots, it is not consistent with the affects of living in a global economy. Competition and the desire for economic development compel us to accept some of the best practices of corporate America. We must learn to vocalize our moral values through appropriate organizational mechanisms that enliven our employees and set the tone for their everyday workplace practices. We must embrace the strategies that enable the world to understand that Omaha is a beacon of business ethics excellence and is a model for future business community cultures.

Our 2014 Organizational Ethics Survey Report is a call to action. It is a document that can stimulate community wide discussion about our Omaha way of doing good business.

Beruly Krachu
CEO and Executive Director
Executive Summary

2014 Greater Omaha Strengths

- **Strength One**
The majority of respondents believe that some form of formal ethics policy is important to their organization; in addition, they believe having ethics/compliance programs is the right thing to do.

- **Strength Two**
The majority of respondents reported a balance of ethics and compliance in their organizations.

- **Strength Three**
The majority of respondents believe their organizations have a strong ethical climate, as well as the city of Omaha as a whole.

2014 Greater Omaha Issues

- **Issue One**
Despite belief in the importance of formal ethics policies, the majority of organizations surveyed reported discussing ethics with employees when first hired or on an as needed basis.

- **Issue Two**
The majority of organizations surveyed reported relying on informal mechanisms to communicate ethics expectations. Less than half of the respondents reporting having a formal ethics training program.

- **Issue Three**
Belief in the importance of ethics programs may not translate into action. The majority of respondents reported that their employees spent less than two hours each year in ethics/compliance training.
2014 Greater Omaha Opportunities

■ Opportunity One
Over half of the respondents cited better informed communication as the top strategy that would help maintain or improve their company’s ethical culture. Communication has been the top factor in the 2008 and 2010 Greater Omaha Organizational Ethics Survey. Omaha organizations should strive to enhance their communication, especially around ethics in the workplace.

■ Opportunity Two
The majority of respondents reported that management is advised about ethics on an “as needed” basis. Company leaders should seek regular information about their organization’s ethical culture. Support from top leadership is essential in cultivating and maintaining a healthy ethical culture.

■ Opportunity Three
The majority of organizations that did not have a formal ethics/compliance program in place believed that their organization is too small for formal programs. Small and medium organizations can explore ways to bring greater intentionality around ethics into their organizations without a large cost. Contact the Business Ethics Alliance to find out how to create low cost organizational ethics and compliance programs or to learn informal tools for creating ethical organizational cultures.
2014 Greater Omaha Organizational Ethics Survey Findings

Benchmarking Omaha Organizations

Over half the organizations surveyed reported having a mission statement, written code of conduct, values statement, and vision statement. In comparison, fewer companies reported having topical policies about ethics or departmental specific policies.

Which of the following does your company have?

- Mission Statement: 87%
- Written Code of Conduct: 69%
- Values Statement: 69%
- Vision Statement: 57%
- Topical Policies About Ethics: 46%
- Departmental Specific Ethics Policies: 21%
Nearly 90% of respondents believed that having some form of formal ethics policy is important to the company.

Several respondents commented on the importance of formal policies:

“Without it, people form their own.”

“In our case, the ethics are built into our core values and our written policies that we follow in our daily business practices.”

“You lead by example.”

“Employees need different forms of guidance on ethical decision-making. The ethics policy can also establish an anonymous reporting system.”
Despite the belief in the importance of formal ethics policies, most respondents reported that employees are informed of ethics policies primarily when hired or on an as-needed basis.

**If you have some form of organizational ethics policy are employees informed of it? If so, how often?**

- **When hired**: 70%
- **As needed**: 44%
- **Annual meetings**: 25%
- **Monthly meetings**: 15%
- **Quarterly meetings**: 13%
- **Never**: 3%

Organizations were fairly divided in having employees sign a code of conduct at their organization.

**Do employees have to sign a code of conduct at your organization?**

- **Yes**: 48%
- **No**: 47%
- **Unsure**: 5%
Ethical Culture

When asked what would help maintain or improve the ethical culture of their company, over half of the respondents suggested that better-informed communication would help, as well as more individual responsibility and lower cost formal ethics programs. The 2008 and 2010 Omaha Organizational Ethics Survey both reported communication as the most frequently cited solution for maintaining or improving ethical culture.

When asked what would help maintain or improve your company’s ethical culture?

<table>
<thead>
<tr>
<th>Solution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better informed communication</td>
<td>59%</td>
</tr>
<tr>
<td>More individual responsibility</td>
<td>39%</td>
</tr>
<tr>
<td>Lower cost formal programs</td>
<td>29%</td>
</tr>
<tr>
<td>Clearer policies</td>
<td>27%</td>
</tr>
<tr>
<td>Better formal training</td>
<td>25%</td>
</tr>
<tr>
<td>More web-based training</td>
<td>25%</td>
</tr>
<tr>
<td>A universal code of conduct</td>
<td>22%</td>
</tr>
<tr>
<td>Better role modeling</td>
<td>15%</td>
</tr>
<tr>
<td>Better supervisors</td>
<td>12%</td>
</tr>
</tbody>
</table>

The majority of respondents reported a balance between ethics and compliance in their company culture.

Which of the following is the primary focus of your company's culture?

<table>
<thead>
<tr>
<th>Focus</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equally balanced</td>
<td>59%</td>
</tr>
<tr>
<td>Ethics</td>
<td>31%</td>
</tr>
<tr>
<td>Compliance</td>
<td>7%</td>
</tr>
<tr>
<td>Neither</td>
<td>3%</td>
</tr>
</tbody>
</table>
Reporting Ethical Problems

The majority of respondents reported one-on-one discussions as the most common method of reporting perceived ethics violations. Comment or suggestion boxes and in-house or third party report lines were also listed as common methods.

![Bar chart showing the methods of reporting perceived ethics violations. The most common method is one-on-one discussions with 72% of responses, followed by comments/suggestion boxes at 25%. Other methods include in-house report line (22%), third party report line (21%), web-based reporting (19%), voice mail (16%), and fax line (2%).]

The majority of ethics violation reports appear to go to the President, CEO, or Chairperson, or a Human Resources officer.

![Bar chart showing the recipients of reports of perceived ethics issues or business conduct violations. President, CEO, Chairperson receive 51% of reports. Human resources and Owner also receive 51% each. Department head receives 35%, Board of directors 22%, General counsel 16%, Ethics committee 10%, and General auditor 3%.]
Formal Ethics/Compliance Programs

Just over half of the respondents reported having a formal ethics and/or compliance program or initiative.

Most of those without formal programs believed their organization is too small for formal programs.

What reasons influenced your organization’s decision not to have a formal ethics/compliance program?

- Our organization is too small: 77%
- We don’t have the budget: 27%
- We don’t need a program: 23%
- We don’t like programs: 5%
Of the companies with formal programs, over half reported that the program has existed for more than 10 years.

<table>
<thead>
<tr>
<th>How long has your company had an ethics and/or compliance program?</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 10 years</td>
</tr>
<tr>
<td>5-10 years</td>
</tr>
<tr>
<td>3-5 years</td>
</tr>
<tr>
<td>2-3 years</td>
</tr>
<tr>
<td>Less than a year</td>
</tr>
</tbody>
</table>

Additionally, over three quarters of respondents believed that starting their program was the right thing to do.

<table>
<thead>
<tr>
<th>What reasons influenced the starting of your company’s ethics and/or compliance program?</th>
</tr>
</thead>
<tbody>
<tr>
<td>It was the right thing to do</td>
</tr>
<tr>
<td>Other legal or regulatory requirements</td>
</tr>
<tr>
<td>Business Ethics Alliance</td>
</tr>
<tr>
<td>Sarbanes Oxley Law</td>
</tr>
<tr>
<td>Federal sentencing guidelines</td>
</tr>
<tr>
<td>Lawsuit or serious business conduct incident</td>
</tr>
</tbody>
</table>
Of the companies with formal programs, the majority of the responsibility falls to the President, CEO or Chair, or someone in Human Resources.

**Which areas of your organization are primarily responsible for your ethics and/or compliance program?**

- President, CEO or Chair: 72%
- Human Resources: 66%
- Department Heads: 56%
- Legal: 47%
- Finance: 28%
- Risk Management: 22%
- Audit: 22%

Despite being responsible for the ethics and/or compliance program, the majority of respondents reported that management is advised of program results on an as needed basis.

**How often is management advised of ethics program results?**

- As needed: 55%
- Annually: 9%
- Quarterly: 27%
- Monthly: 9%
A third of the respondents reported that one to two full-time employees manage their ethics and/or compliance program. Just over a quarter of respondents reported a team of three to five people to manage their program.

How many full-time equivalent people are assigned to manage your ethics and/or compliance program?

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>6 or more</td>
<td>15%</td>
</tr>
<tr>
<td>3 to 5</td>
<td>27%</td>
</tr>
<tr>
<td>1 to 2</td>
<td>33%</td>
</tr>
<tr>
<td>Part-time, fewer than 1</td>
<td>18%</td>
</tr>
<tr>
<td>None</td>
<td>6%</td>
</tr>
</tbody>
</table>

Ethics programs do not need to be costly. Nearly half (48%) of respondents reporting spending less than $10,000 per year on their program.

How much per year do you estimate is spent on your company’s ethics and/or compliance programs?

<table>
<thead>
<tr>
<th>Spending Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $250,000</td>
<td>18%</td>
</tr>
<tr>
<td>$100,000 to $249,999</td>
<td>12%</td>
</tr>
<tr>
<td>$25,000 to $99,999</td>
<td>12%</td>
</tr>
<tr>
<td>$10,000 to $24,999</td>
<td>9%</td>
</tr>
<tr>
<td>$2,500 to $9,999</td>
<td>21%</td>
</tr>
<tr>
<td>Less than $2,500</td>
<td>27%</td>
</tr>
</tbody>
</table>
Most survey respondents used internal self-assessment or track the number of incidents in order to evaluate the success of their ethics and/or compliance program.

In addition, organizations reported that compliance with rules and regulations, and employee engagement were two primary indicators of return on investment for money spend on ethics programs.
Respondents also gave open-ended comments on how they view the success of their programs:

“Providing quality services and supports to people in a responsible manner, operating ethically, with integrity, and in full compliance with the letter and the spirit of laws, regulations and contracts.”

“Success is a program that encourages ethical business behavior and supports an ethical business culture while reducing the likelihood of violations of the law.”

“Zero incidents with 100% participation.”

“Create an awareness and a sustainable culture of ethical behavior.”

“To treat all; both employees and clients with equal high ethical standards. This becomes a way of life and a process that happens without thinking about it. Ethical behavior comes naturally and is expected.”

“We want to do the right thing for our team members and clients.”

“To run a very ethical business in every aspect.”

“Ultimately, we desire a zero tolerance - realistically success is measured by speed of response, transparency, and resolution of issue with improved policy, education and practices executed to prevent further occurrence.”
Communicating About Ethics

Despite the existence of formal programs and initiatives, the majority of survey respondents reported using informal methods of communicating ethics and compliance expectations to both employees and vendors.

**How are ethics and compliance expectations communicated to employees?**

- Informally, through verbal communications in meetings, etc.: 79%
- Informally, through role modeling: 56%
- Through a formal ethics and/or compliance program: 47%

**How are ethics and compliance expectations communicated to vendors?**

- Informally, through verbal communications in meetings, etc.: 74%
- Informally, through role modeling: 47%
- Through a formal ethics and/or compliance program: 19%
Formal Ethics Training

Just over 40% of survey respondents reported the presence of formal ethics training in their company. This number has grown since the first Omaha Organizational Ethics Survey conducted in 2008.

Those companies with formal ethics training reported delivering training using a variety of methods. Half or just over half of respondents cited online training, supervisor/manager meetings, and e-mail or written policy reminders as the most common methods of delivery training content.
The majority of respondents reported that an internal member of the company delivers formal ethics training.

Out of the companies that reported the presence of formal ethics training initiatives, all respondents reported that the training is comprehensive throughout the organization.
Omaha organizations train employees on a variety of ethics-related topics. The top three responses were Code of Conduct, Conflict of Interest, and Sexual Harassment.

Which of the following business ethics topics do employees get trained on in your company?

- Code of Conduct: 96%
- Conflict of interest: 81%
- Sexual harassment: 74%
- Federal, state, and local laws: 70%
- Privacy, confidentiality, HIPAA: 70%
- Making ethical decisions at work: 63%
- Showing respect: 59%
- Drug and alcohol policy: 59%
- Industry specific reporting: 56%
- Financial reporting: 48%
- Environmental: 37%
- Bullying: 37%
- Insider trading: 19%

Companies with ethics and/or compliance training reported that their employees spend anywhere from under an hour up to eight hours per year doing ethics and/or compliance training.

How much time does each employee spend in ethics and/or compliance training each year?

- More than 1 day: 0%
- 1 day: 0%
- 5-8 hours: 19%
- 3-4 hours: 22%
- 1-2 hours: 44%
- Less than an hour: 15%
Ethical Climate of Companies and Omaha

Participants were asked, “In relation to what you believe to be an ideal ethical business community, how would you rate the ethical climate of your company?” The chart below shows that respondents were positive about the ethical climate of their company with 87% rating their company climate as strong or extremely strong. Only 13% suggested their climate was neither strong nor weak, and no one reported a weak or extremely weak climate.
Participants then answered the same question, but about the ethical climate of Omaha. The responses were similarly positive with 78% believing Omaha’s ethical climate to be strong or extremely strong. Only 4% believed Omaha to have a weak or extremely weak ethical climate.