

Men, Women & Ethical Leadership

Gender's* Influence on Tone at the Top

Feb. 25, 2016

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*This presentation only covers self-identifying males and females, and, due to the anonymity of this report, we do not differentiate between cisgender and agender, bigender, transgender or other types.

About the Ethics & Compliance Initiative (ECI)

Empowers organizations to operate at the highest levels of integrity

- New ideas grounded in research
- Best practice community
- Education and certification

Comprised of:

- Ethics Research Center (ERC)
- Ethics & Compliance Association
- Ethics & Compliance Certification Institute

Upcoming Benefits of ECI Membership

RESEARCH REPORTS

- Principles and Practices of High-Quality Ethics & Compliance Programs
- National Business Ethics Survey of the Contracting Workforce
- When the Company Is More Than Just a Job
- Global Business Ethics Survey

EVENTS

- ECI's Annual Conference – *early bird ends March 17*
- Best Practice Forum
- Essentials of Ethics & Compliance (E2C)

About This Study

Men, Women and Ethical Leadership

Research Questions

- Do men and women exercise ethical leadership in different ways?
- What is the impact of (employee and/or leadership) gender on employee perceptions of tone from the top?

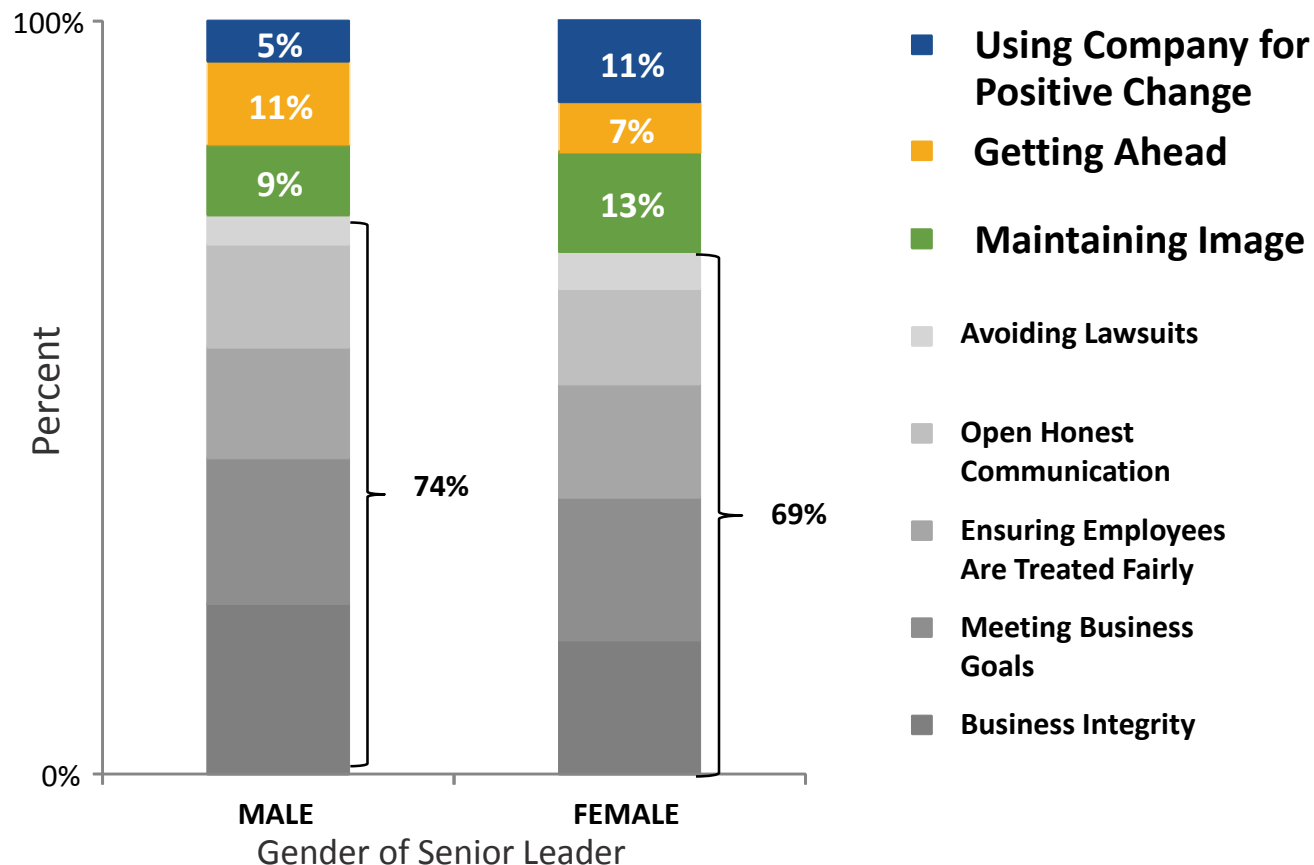
Sampling and Methodology

- Initial data - 2013 National Business Ethics Survey® (NBES®)
- Randomly selected 1,608 participants from NBES 2013 for follow-up
- Participants from privately-owned and publicly-traded companies
- Data collected November through December, 2014
- Online and phone (cell, landline) surveys
- Data weighted by age, gender, education, phone type (cell/landline), survey mode (phone/online)
- Sampling error is +/- 2.4 percent at the 95 percent confidence level

Perceiving Male and Female Leaders' Priorities

Few Differences Emerge in Priorities

Based on *Personal Interaction*, the MOST important to senior leadership are:



Few Differences Emerge

Top Priorities Based on *Crisis Management*:

- Sustaining the company (*Top priority for male leaders*)
- Integrity in business (*Top priority for female leaders*)
- Honestly assessing problems in order to solve them

Top Priorities Based on *Company Policies and Procedures*:

- Avoid lawsuits
- Maintaining integrity in business
- Open-honest communication

Business Matters Conveyed More Effectively Than Human-capital Matters

Importance of Quality Products Is Most Effectively Communicated

Senior Leadership Effectively Conveys:	Overall	Senior Leader	
		Male	Female
The importance of quality products & services	1	1	1
The value of safety	2	3	2
His/Her pride in the company	3	2	3
Information about company performance	4	4	6
The importance of ethical conduct in business	5	6	4
The importance of equal treatment of all, regardless of gender	6	7	5
The value of good working relationships	7	5	7
His/Her concern for employee well-being	8	8	8
Employee accomplishments	9	9	9
Real-life examples of ethical behavior	10	10	10

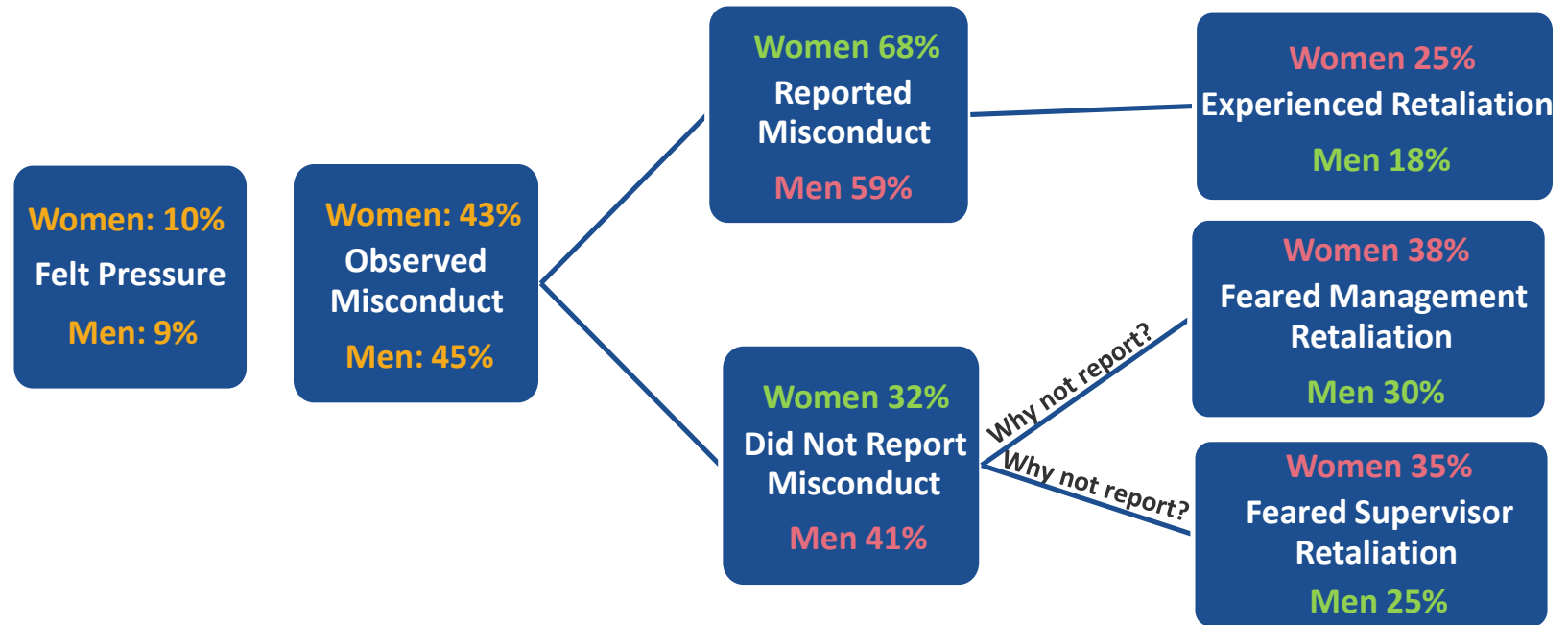
Note. Items are ranked from 1 to 10, with 1 being the top, most effectively communicated attribute to 10 being the least effectively communicated attribute.

Employees' Personal Ethics Experiences[†]

[†]Data in this section are from the total pool of NBES 2013 data rather than just the follow-up study data.

Not All Ethics Experiences Are the Same

Ethics Outcomes



NBES 2013

Lack of Trust Deters Reporting

Top Three Reasons for Not Reporting:	Gender of Employee	
	Male	Female
Do not believe corrective action would be taken	51%	59%
Do not trust report would be kept confidential	42%	50%
Believe it is an accepted behavior in company	38%	49%

Note. Employees may have several reasons for not reporting misconduct, therefore our survey allowed employees to choose as many options as they feel are reasons they refrained from reporting.

Note. Percentages in green text are statistically lower than the percentages in red text.

NBES 2013

Employees' Views of Leaders and Companies

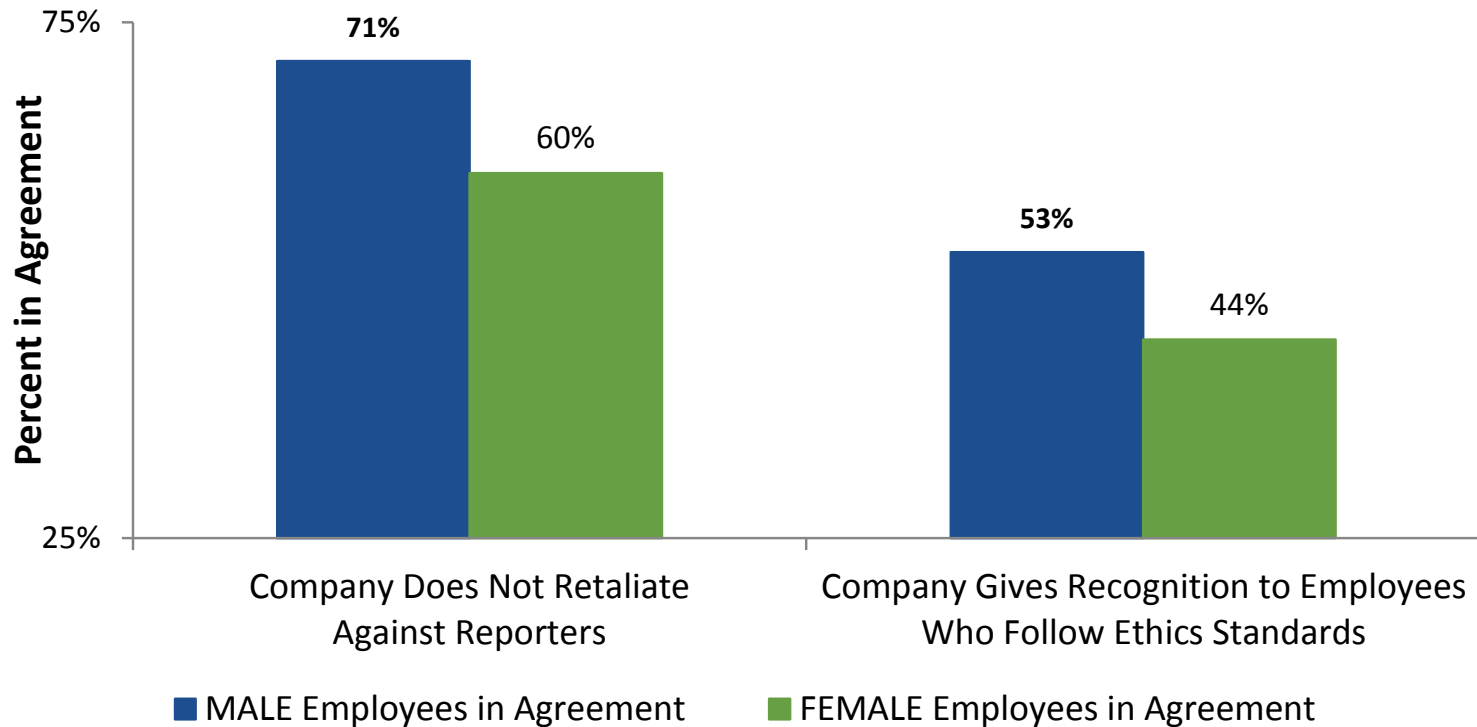
Women's Views of Leaders Are Less Favorable

Senior Leaders...	Gender of Employee		PPT Difference
	Male	Female	
... can be trusted	67%	57%	10%
... treat all well, regardless of level in organization	67%	59%	8%
... would do the ethically right thing even at expense of business	60%	55%	6%
... are transparent about issues in company†	62%	56%	3%
... set a good example†	82%	79%	2%

Note. PPT = percentage point difference. (Calculated based on unrounded percentages.)

†All NBES 2013 participants

Women's Views of Company Generally Worse



Senior Women Leaders' Views Less Favorable

Female Senior Leaders' Views Less Favorable than Male Senior Leaders' Views

Survey Question	Senior Leader		PPT
	Male	Female	Difference
Employees can question management without fear of retaliation†	87%	76%	11%
Senior Leaders provide satisfactory information about what is happening in organization†	91%	86%	5%
Senior Leaders set a good example†	94%	89%	5%

Note. PPT = percentage point difference. (Calculated based on unrounded percentages.)

†All NBES 2013 participants

Middle Management Women's Views Also Less Favorable Than Men's Views

Female Middle Managers View Company and Leaders Less Favorably Than Do Male Middle Managers

Survey Question	Middle Manager		PPT Difference
	Male	Female	
Company gives recognition to those who follow ethics†	68%	61%	7%
Company does not retaliate against reporters†	81%	75%	6%
Senior Leaders keep promises and commitments†	88%	82%	6%

Note. PPT = percentage point difference. (Calculated based on unrounded percentages.)

†All NBES 2013 participants

Why It Matters

Culture Matters

“The way things are done around here.”

Key elements:

- Tone coming from the top
- Supervisor reinforcement and support
- Ability to raise concerns
- Accountability for violations
- Pressure from others

ECI's Measures for Culture

OVERALL ETHICS CULTURE...

...is an aggregated average of results from the questions asked about the behaviors of top managers, immediate supervisors, and coworkers.

ALL LEVELS OF EMPLOYEES...

- Talk about the importance of ethics
- Set a good example
- Are held accountable
- Can be trusted

Additionally

TOP MANAGERS...

- Do not tolerate retaliation

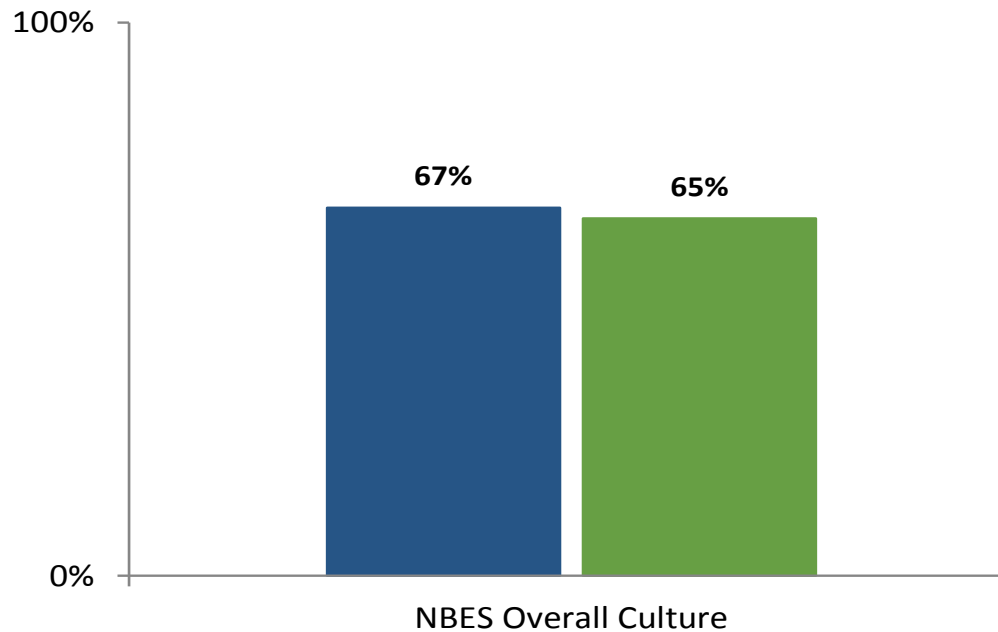
IMMEDIATE SUPERVISOR...

- Gives positive feedback

NON-MANAGEMENT EMPLOYEES...

- Consider ethics

Men & Women View Ethics Culture Similarly

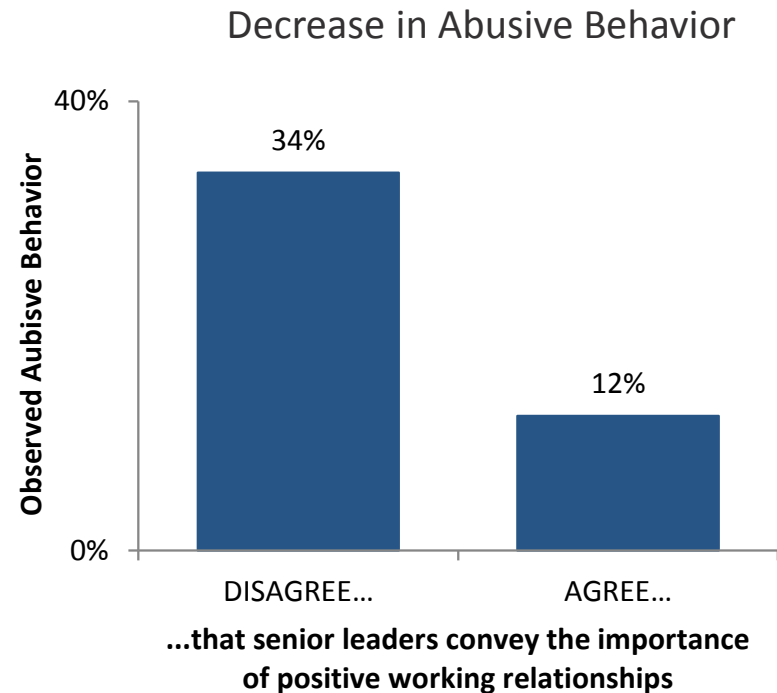
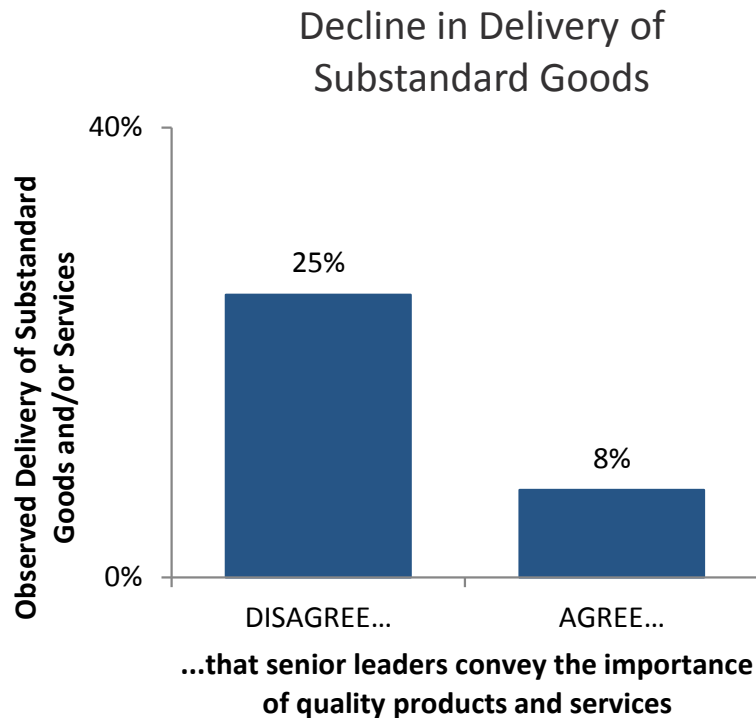


STRONG AND STRONG-LEANING ETHICS CULTURE

- MALE Employees' Perceptions of Culture
- FEMALE Employees' Perceptions of Culture

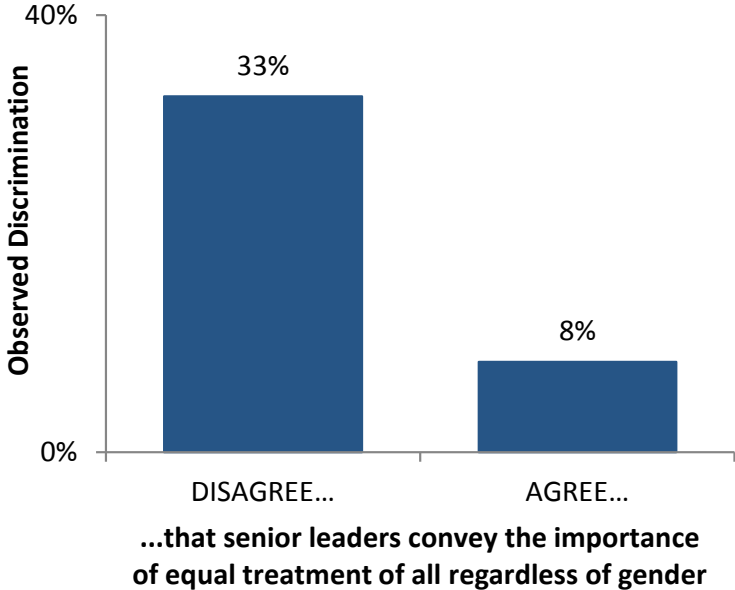
NBES 2013

Employees Respond to Leaders' Values

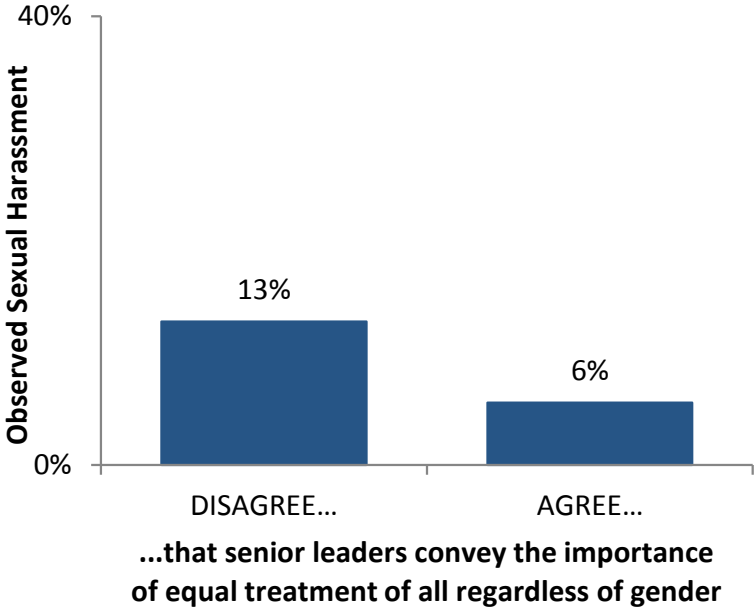


When Leaders Promote Equality, Sexual Harassment and Discrimination Decrease

Decrease in Discrimination



Decrease in Sexual Harassment



What Leaders and Companies Can Do

What Leaders and Companies Can Do

- Promote equality and diversity
- Involve employees in equality efforts
- Prioritize and promote values
- Follow-up with reports
- Accountability

Appendix

Demographics of Leadership

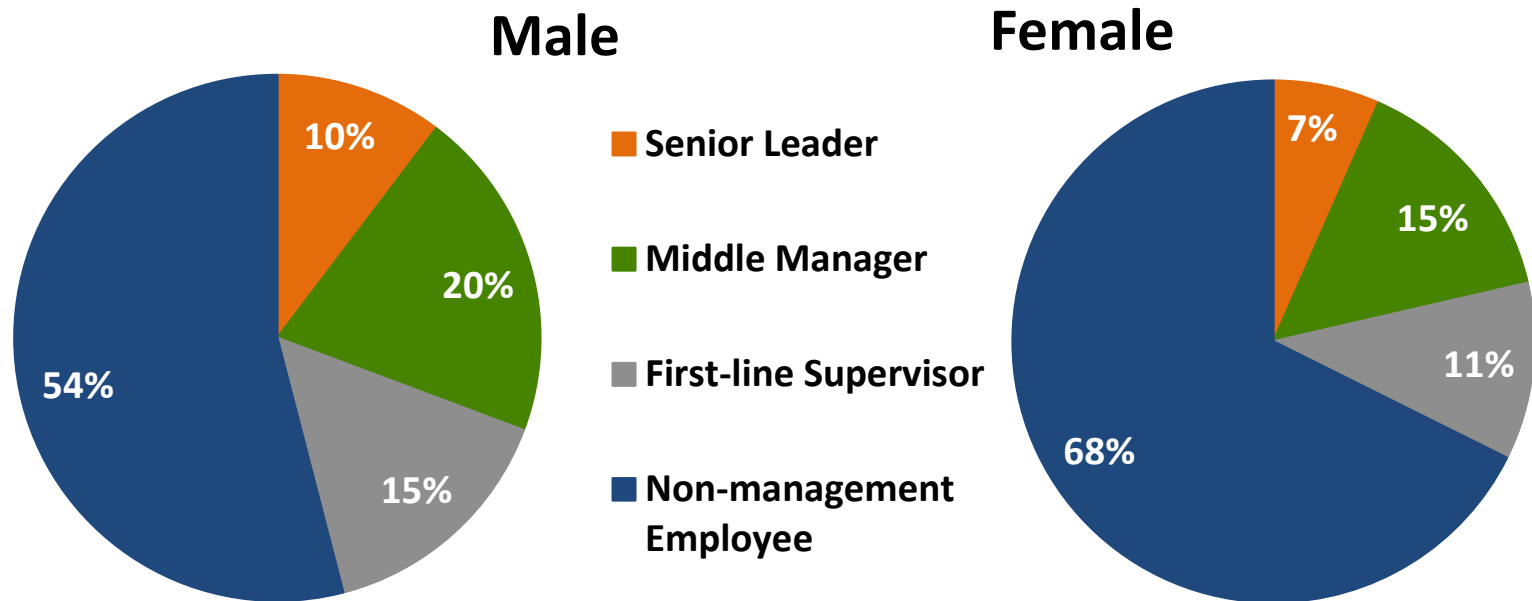
Demographic Findings: Leadership

Men Are More Likely to Be in Senior Leadership Positions

- The majority of senior leadership positions are held by men (63% men vs. 37% women)
- Almost one third (31%) of men hold top- or mid-level management positions, compared to 21% of women

Demographic Findings: Employee Levels

Management Levels of Male and Female Employees Included in the ECI Data



Note. Percentages are rounded.



Thank you for attending!
Be sure to attend our upcoming events!

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