

UNITED STATES DEPARTMENT OF DEFENSE

SURVEY REPORT

Prepared by:

COUNCIL OF ETHICAL
ORGANIZATIONS

&

HUMAN RESOURCES
RESEARCH ORGANIZATION

Prepared for:

U.S. DEPARTMENT OF DEFENSE
OFFICE OF THE DIRECTOR
DEFENSE PROCUREMENT AND ACQUISITION POLICY

CONTRACT GS-10F-0087J, HQ0034-09-F-3131

AUGUST 31, 2010

UNITED STATES DEPARTMENT OF DEFENSE SURVEY REPORT

Table of Contents

EXECUTIVE SUMMARY

Executive Summary	3
Strengths	6
Weaknesses	7

RESPONSE TO THE SURVEY

Overall Response Rate	9
-----------------------------	---

GUIDELINES FOR INTERPRETATION

General Guidelines.....	11
Discussion of Approach.....	12
Quick Guide for Interpretation.....	14

OVERALL PERFORMANCE

Overall Score	16
---------------------	----

EVALUATIVE & INDIVIDUAL SCALES AND ITEMS

Evaluative Scale Performance	18
DOD Ethics	19
DOD Policies	25
Ethical Concerns	31
Leadership Ethics.....	37
DoD Values.....	43
Values in Practice	46
Additional Information	48

RECOMMENDATIONS

Introduction.....	55
General Recommendations	56

REFERENCE LIST

Reference List	63
----------------------	----

APPENDIX A

The Ethics Survey.....	64
------------------------	----

APPENDIX B

Focus Group Summary	74
---------------------------	----

APPENDIX C

Summary of Open-Comments	79
--------------------------------	----

APPENDIX D

Open-Comments Report	Separate Document
----------------------------	-------------------

EXECUTIVE SUMMARY

As part of undertaking the Ethical Culture Survey Project for the United States Department of Defense (DoD), Human Resources Research Organization (HumRRO) contracted with the Council of Ethical Organizations (Council) to jointly conduct a survey to assess the ethical culture of DoD. Thus, the Project Team is HumRRO and the Council.

HumRRO is an independent, nonprofit corporation engaged in research, development and evaluation in the behavioral and social sciences with application toward improving human performance and organizational effectiveness. HumRRO was established in 1951 as the Human Resources Research Office of The George Washington University to carry out an integrated program of human resources research for the Department of the Army. In 1967, HumRRO's charter was modified to extend its research and development activities to other departments of the Federal Government, to state and local governments, and to private organizations. In 1969, HumRRO separated from the university. In the intervening period, HumRRO has maintained a close working relationship with the U.S. Army and the Department of Defense. For example, HumRRO personnel play key roles in the development and maintenance of the computer adaptive version of the Armed Services Vocational Aptitude Battery, the primary cognitive screening test for enlisted military applicants. HumRRO also carries out the DoD Youth and Influencer Polls, a key source of information for policy makers and planners on the strength of the military recruiting market

The **Council** is a non-profit organization promoting ethical and legal conduct in business, government and the professions. The Council has pursued this purpose for 30 years through educational programs, research, consultative efforts, and publications. Our principals have addressed ethics and compliance issues in complex situations since 1973 on behalf of leading corporations and government bodies worldwide. Council activities and services include:

- educational programs including programs leading to the Council's nationally established compliance credentials, the Certified Compliance Professional (CCP) and the Certified Compliance Executive (CCE) as well as the Best Compliance Practices Forum (a peer review process operating continually since 1995).
- providing information through its own publication series and through academic and trade publications
- consultative efforts on behalf of companies, governments and NGOs worldwide
- research conducted according to the highest social science and measurement standards to determine the factors driving an ethical organizational culture.

The purposes of this survey administration were to:

- (1) assess DoD's organizational culture with respect to ethics,
- (2) assess military members and civilian employee perceptions of the ethical culture within DoD; and,
- (3) determine the why and how of the perceptions of organizational ethical behavior and whether this behavior contributes to the over-all ethical climate of the organization.

Aspects of the DoD ethical culture addressed through this survey include:

- (a) the extent to which leadership is engaged in and supportive of DoD ethics programs;
- (b) the extent to which ethics is a topic of discussion/communication within DoD;
- (c) the extent to which ethics is a factor in agency decision-making;
- (d) the extent to which management communicates its expectations regarding ethics;
- (e) the extent to which employees are made accountable for ethics lapses;
- (f) the extent to which employees are recognized or rewarded for ethics excellence;
- (g) the extent to which employees are encouraged to discuss ethics in general, and to report specific ethics violations;
- (h) the extent to which employees fear retaliation for reporting ethics violations;
- (i) the extent to which employees perceive a culture of values-based ethics; and,
- (j) the elements that might be used in order to identify the presence or the absence of an ethical culture.

The Project Team utilized *The Ethics Survey*, a research instrument that is copyrighted by the Council of Ethical Organizations and used with permission, to conduct this assessment. *The Ethics Survey* has been administered nationally for two decades, and results obtained with the survey have been recognized in a variety of publications. A copy of the survey as it was presented to respondents is included at Appendix A.

This first administration of such a survey often provides a baseline against which to assess the progress of ethics efforts by the surveyed organization.¹ The survey administration also allows comparison of the ethics environment of the surveyed organization with that of other organizations that have participated in the survey.

Three kinds of information result from this survey administration.

The first type of information (**basic scores**) is that derived from administration of the four scales (comprising a total of twenty items) that are common to all survey administrations. This information provides insight into the ethics environment of an organization. Basic scores are presented through a standardized scoring method that provides an automatic benchmark with other organizations that have participated in the survey.

¹ The terminology used in conjunction with ethics programs is diverse and often confusing. What are called ethics programs in a government context are often the same as what are called compliance programs in non-government organizations. Generally, “compliance program” is a term used to refer to rules-based, legally driven programs. Programs that are more values-based and ethics driven are often simply referred to as “ethics programs” or “integrity programs.” These programs aim to motivate appropriate conduct through attention to values and ethical principles. DoD’s program is currently referred to as an “ethics program” even though it is more rules-based - i.e., more like a traditional compliance program. In this report, we use “ethics program” as synonymous with one that is values-based - a program that is intended to reduce unethical and illegal conduct and is framed in terms of mission, values and ethical commitments as well as including a focus on regulatory, legal and policy parameters. Thus, the terms “ethics” and “ethics program” are used herein in a broader sense than the typical United States government usage that tends to view ethical standards mainly in terms of guiding regulations and legislation.

It is important to note the bench marking incorporated in this scoring methodology is always based on administration of the same instrument, *The Ethics Survey*, so that bench marking is accurate as possible across organizations.

The second type of information (**additional information**) is diagnostic. This information is derived from “back page” items - additional items at the end of the survey form - devised specifically for this survey in cooperation with DoD. The additional information includes demographic information intended to provide additional insight into the ethics environment at DoD. This information cannot be translated into standardized scores (basic scores) but is cross-indexed with basic scores to allow comparisons of the ethical culture across subpopulations.

Finally, the survey administration process allowed for the accumulation of **qualitative information**. Survey participants were able to add comments in their own words in the **open comments** section of the survey. These comments provide additional insight into the responses given by employees to the survey itself and also provide more detailed employee observations. These comments, edited only to preserve the anonymity of respondents, are categorized and reported in Appendix C of this report, which is approximately 1,000 pages in length. A brief summary of these comments is include as Appendix B. Additionally, **focus groups** (Appendix A) were held to add depth to the understanding of both survey results and open comments. The demographic information sought from respondents was kept at a general level to avoid incurring suspicion among respondents that it could used to identify them individually.

The basic scores reported here are grounded in the survey’s general database. This database includes a variety of non-profit, for-profit and government organizations from across the United States. The report also includes more specific comparisons grounded in a sub-database of government organizations.

The response rate required to ensure reliability of results is 15%, and the normal response rate is between 18% and 23% but varies widely. The response rate for this survey administration (22.82%) is on the high side of normal. We attribute the good response rate to several factors, including the desire of DoD employees to address the survey topics, a positive response to the survey items, and the convenience of being able to respond on line. (Given precautions taken as part of the survey delivery methodology, we are confident that the response rate does not reflect duplicate responses.) The Project Team fielded many calls from potential survey respondents indicating concerns about the anonymity of survey responses – a concern that may have somewhat depressed the survey response rate.

DoD’s overall score is **about average** and differs insignificantly from the mean of 3.00. When DoD is compared only to other government organizations, DoD’s score is also **about average**. Since organizations self-select survey participation, it is reasonable to infer that participating organizations (those in the comparative database) are more concerned about their ethical climate than other organizations. Thus, we view both these results as positive.

A sound assessment of an organization’s ethics climate normally indicates both strengths and weaknesses. Strengths provide a foundation for change and improvement. Weaknesses suggest areas that the organization may wish to emphasize in the future. (See the Recommendations section for further information.) Since analysis of strengths and weaknesses is based on the Project Team’s interpretation of survey results, DoD is encouraged to undertake further study of

reported issues. Due to the generally positive results achieved by DoD on this survey administration, strengths are easier to observe and require less interpretation than weaknesses.

STRENGTHS

- DoD’s overall score is about average. Given the tremendous size of DoD and its dependence on a large number of short-term employees – to an extent probably unequaled in any other US agency or company, this is a solid result. It is also important to note that organizations used in this comparison *self-select* survey participation. Thus this comparison can be viewed even more positively as it compares DoD to other “ethics aware” organizations. When the comparison of DoD is limited to other government organizations, the result is essentially the same.
- Employees believe that a common standard of conduct applies to all DoD employees to an extent that is above average. This is an important, positive result since employees will only respect an ethics initiative if they see that a single set of standards applies to all employees.
- Employees view ethical conduct as important to their success at DoD, which is indicative of an ethical work environment in employees’ immediate work groups.
- Employees are willing to adhere to a stated policy or guideline with which they personally disagree to an extent that is above average.
- Employees seem confident in the integrity of the direction given to them by their immediate supervisors. This positive result suggests good buy-in by supervisors with respect to ethics messages.
- Employees find DoD’s ethics guidelines to be clear to an extent that is above average. This is an important result given the complexity of rules applicable to federal employees. It also suggests that ethics guidelines are well presented in existing training and communications efforts. It is likely that respondents were referencing rules and regulations when asked about ethics guidelines as such rules and regulations (as opposed to values-based principles) form the basis of the current training content.
- Employees seem willing to assist in investigations of improper conduct to a degree that is above average. The degree to which employees are willing to assist in investigations of improper conduct is further above average when the comparison is limited to other government organizations.
- Employees have above average confidence in the willingness of their immediate supervisors to listen to their ethical concerns, and this result is further above average in the government ethics comparison. Open comment and focus groups results support the finding that most DoD employees have confidence of the ethics of their immediate supervisors and see problems arising at “some higher level”.
- Employees do not seem to perceive that management/command where they work makes demands that can be met only by violating standards. Thus, even when employees feel that pressure may create ethical violations, they are not blaming leadership/command in their work environment.

- DoD employees are motivated mainly by upholding high standards of performance and by satisfaction in doing their jobs. This response is indicative of an organization in which the ethical culture can be improved through an emphasis on mission and values as primary motivators, as opposed to policy enforcement.
- Ethics training makes a difference to employees' perception of the ethics environment at DoD. Employees who recall attending ethics training have a much more positive perception of the DoD ethics climate.
- The percentage of employees aware of the Standards of Conduct is consistent with baseline expectations based on other survey administrations.

These strengths suggest that an emphasis on mission and values will strengthen the DoD ethical culture, while also suggesting that the use of training to date has had a positive impact on this culture.

WEAKNESSES

While weaknesses tend to gain more attention than strengths in a report of this type, it is important to remember that the overall survey score is the most indicative result reported herein.

- Employees believe DoD rewards *unethical* behavior to an extent that is well above average. This result indicates that employees see the reward system as out of sync with the demands of their immediate work environments in terms of ethics.
- Employees have below average confidence that their decisions reflect the interests of the public and would stand up to public inspection. In terms of ethical climate, the result indicates a need to better communicate the “whys” behind decisions and the need for ethical balance in complex decision making situations.
- Perceived pressure may lead DoD employees to *violate* policies and/or guidelines to a degree that is above average. Employees of most organizations will violate policies if they feel pressured to do so. DoD employees seem even more likely than employees of other organizations to see workplace pressure as a cause of improper conduct.
- Employees seem to *fear* retribution for reporting *managerial/commander* misconduct to an extent that is well above average. When the comparison is to government organizations, the result is better but the level of fear of retribution remains above average. Retaliation is an important topic for any effort to strengthen DoD's ethical climate.
- Employees seem to believe that top management/command at their work locations encourage employees to raise ethical concerns to an extent that is below average. When the comparison is limited to other government organizations, DoD employees have average confidence in the level of encouragement for raising ethical concerns that they receive from top management/command.

- Employees are comfortable raising ethical concerns with the appropriate IG's office to an extent that is below average. The OGE Executive Branch Employee Ethics Survey 2000 reported a related result. This is concerning as the OIG is one of the correct reporting channels available to DoD employees. In the open comments section of the survey, several respondents commented on perceived lack of feedback and follow through from OIG. Some did not have knowledge of OIG at all. In the focus groups, it became apparent that some employees do not understand the role of the OIG.
- If employees do not resolve a problem by discussing it with their immediate supervisors, they will go to their personnel representatives or to an IG's office. However, a significant percentage would drop the issue or avoid personal involvement, with some opting to go outside of DoD.
- Employees have slightly below average confidence in the ethics of top leadership and in the ethics of the organization itself. When the comparison is restricted to government organizations, the level of confidence in the ethics of top leadership and the organization is average. Confidence in leadership is highest among military employees, and specifically among officers, and among acquisition related employees.
- DoD employees do not perceive DoD to have higher ethical standards than other Federal agencies. Employees do not believe that ethical standards have been strengthened during the past year.
- The number of employees who acknowledge regularly receiving ethics information and the number who recall receiving ethics training is comparatively (to organizations in the survey database) low. This is notable as those who *do* recall ethics training have a much better impression of the DoD ethics climate. Awareness of the DoD Hotline is also low. In organizations with mature ethics programs, awareness of a hotline often exceeds 95%.
- Employees who have worked for DoD the least amount of time have a more positive response to the ethics environment. On the other hand, employees with more than 10 years of DoD experience have at least a somewhat more positive impression of its ethics climate.

These weaknesses are subtle in interpretation but common in organizations participating in the survey. We recommend a strategy of building on the strengths of an organization's ethics environment rather than just addressing weaknesses. This is also the core of a mission and values based approach to organizational culture improvement, which is strongly suggested by the survey results.

RESPONSE TO THE SURVEY

This survey used a sample of 248,165 randomly selected military and civilian DoD employees. Results are reportable at a 15% (of sample) effective response rate and the normal response rate is 18% to 23% (of sample). The response rate for this survey administration exceeds minimum requirements.²

SURVEYS DISTRIBUTED: (via email to individual DoD email addresses)	248,165
SURVEYS RETURNED:	56,630
OVERALL RESPONSE RATE:	22.82%*
<i>* Note: An insignificant number of survey emails (4) bounced back to the server upon delivery. Therefore, we believe that the Overall Response Rate of 22.82% is accurate.</i>	

² The project team was provided a CD with contact information for all of the DoD acquisitions workforce ($n = 65,536$). We were then provided another CD with a randomly selected 536,622 DoD employees with instructions to randomly draw sufficient cases from the latter to reach a final sample size of approximately 250,000. Using available online sample size calculators and the population figures of 131,000 acquisitions and 4.9 million non-acquisitions personnel, we determined that minimum samples (1% margin of error and 99% confidence level) would be approximately 14,700 and 16,500, respectively. The fact that the actual sample sizes exceeded these minimums for a 1% margin of error provides confidence that the results reflect the two populations.

RESPONSE TO THE SURVEY BY POSITION & WORK STATUS

MILITARY VS. CIVILIAN*		
POSITION/STATUS	NUMBER OF RESPONSES	PERCENT OF RESPONSE
Military	10,238	19.74
Civilian	41,635	80.26
TOTAL	51,873	100%

ENLISTED VS. OFFICER*		
POSITION/STATUS	NUMBER OF RESPONSES	PERCENT OF RESPONSE
Enlisted	5,250	53.76
Officer	4,515	46.24
TOTAL	9,765	100%

GS-11 OR BELOW VS. GS-12 OR ABOVE*		
POSITION/STATUS	NUMBER OF RESPONSES	PERCENT OF RESPONSE
GS-11 or Below	11,138	27.60
GS-12 or Above	29,215	72.40
TOTAL	40,353	100%

ACQUISITIONS RELATED VS. NON-ACQUISITIONS RELATED*		
POSITION/STATUS	NUMBER OF RESPONSES	PERCENT OF RESPONSE
Acquisitions Related - <i>Yes</i>	33,854	65.50
Acquisitions Related - <i>No</i>	17,830	34.50
TOTAL	51,684	100%

**Since survey responses were anonymous, these comparisons are based solely on participant responses to demographic questions asked as part of the survey administration. Totals do not match the overall response total due to respondents choosing not to complete some or all of the demographic questions.*

GUIDELINES FOR INTERPRETATION

Three kinds of information are reported for this survey administration. The first type of information (**basic scores**) is derived from the four scales (comprising a total of twenty items) that are common to most administrations of *The Ethics Survey*. This information provides insight into the ethical environment of an organization, and is presented through a standardized scoring method that provides a benchmark with other organizations that have participated in the survey. The bench marking incorporated in this scoring methodology is always based on administration of the same instrument, *The Ethics Survey*, so that bench marking is accurate as possible across organizations.

The second type of information (**additional information**) is diagnostic. The information is derived from “back page” items - additional items at the end of the survey form - devised specifically for this survey administration in cooperation with DoD. This includes demographic and comparative information intended to provide insight into DoD’s ethics environment. This information can not be translated into standard scores that allow bench marking.

Finally, the survey administration process allowed for the accumulation of **qualitative information**. Survey participants were able to add comments in their own words in the **open comments** section of the survey. These comments provide additional insight into the responses given by employees to the survey itself and also include more detailed employee observations. These comments, edited only to preserve the anonymity of respondents, are categorized and reported in Appendix C of this report. A summary of the written input can be found in Appendix B. Additionally, **focus groups** were held to add depth to the understanding of both survey results and open comments. A summary of this input is included as Appendix A.

This section provides guidelines for understanding and interpreting basic scores.

Basic scores are reported for the overall survey, the four scales and individual items comprising the scales and are based on comparison with data in the overall survey database. These results are standardized to assist interpretation. This section explains how to understand these standardized scores.

GENERAL GUIDELINES

The **overall score** (DoD’s score for the entire survey) is the most reliable result reported. Scores for the four survey scales (DoD Ethics, DoD Policies, Ethical Concerns, Leadership Ethics) are reliable, but to a lesser extent. Results for other scales and for individual items assist in interpreting broader results.

Each item is presented in “Likert” format. Respondents can “strongly agree,” “agree,” “neither agree nor disagree,” “disagree,” or “strongly disagree” with the statement presented. For most items, the “best” score is a “5” indicating that the respondent strongly agrees with the statement, while the “worst” score is a “1” indicating that the respondent strongly disagrees with the statement.

The survey also includes “reverse scored” items. Reverse scored items are items on which “strongly agree” or “agree” are not positive results. An example is, “I sometimes do things as part of my job that conflict with my personal ethics.” These items help ensure that responses are candid and that respondents cannot manipulate survey results. Reverse score items are so marked in the results reported herein.

Scores are presented on a standardized basis. The **base or “normal” score** for the survey, scales and items is 3.00. A score of 3.00 is an average score for any item or scale. A score lower than 3.00 is negative (below average), while a score higher than 3.00 is positive (above average). Scores ordinarily range between 2.50 and 3.50. The base score for the overall survey is also 3.00.

A low number (below 3.00) is always a negative response and a high number (above 3.00) is always a positive response for purposes of interpreting the results in this report. Reported scores for reverse scored items are corrected so that this holds true for reverse scored items as well.

In many cases, **two numbers are presented for an item or scale**. The first number (**bold face**) is the general or benchmark score; the second number is the score when the comparison is limited to other government organizations. Thus an item on which the reported scores were **3.50 / 4.00** would indicate an above average response for the item and an even more positive response when the comparison is limited to government organizations.

DISCUSSION OF APPROACH

The Ethics Survey has been administered for more than two decades. The content of the four scales (and the twenty items comprising the scales) has been stable since 1993, with minor modifications (such as the terminology used to refer to employees) made for specific administrations. For example, minor terminological modifications to core survey items were made to enhance understanding and acceptance of the items by all DoD employees, including military employees.

The twenty core survey items are organized into four scales that address major aspects of an organization’s ethics environment:

- The organizational ethics items (**DoD Ethics**) are intended to assess the likelihood that members of an organization will observe ethical standards of conduct. Accordingly, these items also gauge how employees will behave in situations where there is no specific policy or procedure to follow or the employee is not aware of the relevant policy or procedure.
- The organizational policy items (**DoD Policies**) are intended to gauge employees’ adherence to organizational policies, and, more particularly, to ascertain their willingness to follow policies when under pressure.
- The ethical concerns items (**Ethical Concerns**) are intended to determine whether employees will report problematic issues or concerns via designated organizational channels. They particularly focus on willingness to use internal reporting channels which allow the organization to address ethics-related concerns constructively.

- Leadership items (**Leadership Ethics**) are intended to gauge whether employees perceive the organization and its management as being supportive of ethical standards and conduct.

Results for these scales are compiled to create an overall score for the ethics environment of an organization.

The overall score, scores for scales and scores for items are presented on a standardized scale anchored at the number 3.00. This is accomplished by applying a correction factor to raw data obtained from the survey administration. Because the items and scales are designed to contribute to the picture of the overall environment of an organization, scores reported for separate scales and items are less reliable than the overall survey score. We still report results for all scales and items, and these results are also corrected to an anchor or “normal” score of 3.00.

The correction factor is developed to allow comparison or bench marking with respect to the overall survey score. For example, an overall score that is higher than 3.00 indicates that the raw data obtained from the organization is above the average obtained from organizations used in developing the correction factor. A score that is lower than 3.00 indicates that the raw data obtained from the organization is below the average obtained from other organizations used in developing the correction factor.

The correction factor itself is updated cumulatively and periodically, but has proven stable over time. Data obtained in recent surveys carry more weight than older data in determining the correction factor. Generally, adjustments to the correction factor reflect data less than three years old. Older data may not provide meaningful insight into current organizational practices. We also periodically study the general functioning of the survey instrument using a cumulative sample of data obtained with the instrument.

We are often asked to develop specialized comparisons using survey data. Comparisons among sizable units or groups within an organization are often fairly reliable, assuming an adequate response rate. Several such comparisons are included in this report. Thus, if one large DoD demographic group had a much higher overall score than another large demographic group, this suggests that the ethics environment within the first group is better than that within the second group.

We also include comparisons limited to other government organizations. These comparisons are less reliable than broader comparisons, since they are based on a subset of all available data. However, government organizations participated significantly in development of the survey instrument and are reflected in cumulative adjustments. Additionally, we consulted other data, such as that obtained in the OGE Executive Branch Employee Ethics Survey 2000, relating to government organizations in interpreting comparative data. Comparisons with government organizations - along with all comparisons obtained from survey data - should be viewed qualitatively (better/worse/about the same).

We also tried to isolate factors that were indicative of DoD’s overall performance on the survey. Some such data proved persuasive, particularly data related to reporting and fear of retaliation, and is included in this report. It is important to remember that association is not cause, so that care must be used in basing actions on statistical associations even on strong associations.

QUICK GUIDE FOR SCORE INTERPRETATION

Scoring Method

The scores shown in this survey are standardized. This means that the scores received from participants have been adjusted to allow a comparison between DoD and other organizations.

This comparison shows whether the ethics and compliance environment of DoD is better or worse, as measured by this instrument, than other organizations with which DoD is compared. This comparison is only intended as a guide, based on the experiences and environments of other organizations.

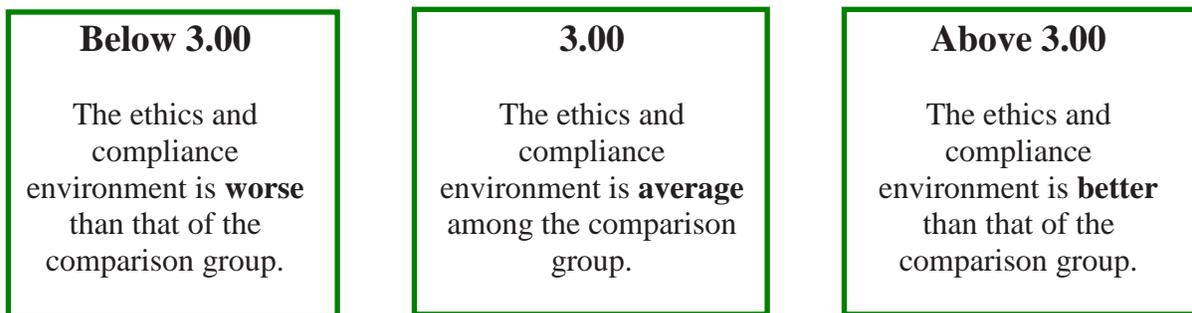
What the Scores Mean

The base score for the over-all survey, and the scales and items is 3.00.

This means:

- A score of three is average.
- A score higher than three is above average.
- A score below three is below average.

Think of it this way:



Note that the over-all score for the survey is more indicative of the ethics and compliance environment than the scores for the four scales or individual items. This is because this survey instrument was designed to assess the over-all environment, based on the effect of many different factors.

QUICK GUIDE FOR SCORE INTERPRETATION, CONTINUED

How to Interpret the Graphs in this Report

For each survey item a chart is given to show how DoD employees answered that question. These data are not standardized. They simply show the percentages (%) of responses for that particular item.

Here's an example:

1. Every DoD employee, supervisor, and manager/commander is expected to observe the same standard of ethical conduct.

Indicates the extent to which employees perceive that all DoD employees are expected to follow ethical standards.

Score: 3.27 / 3.25

Distribution of Responses:

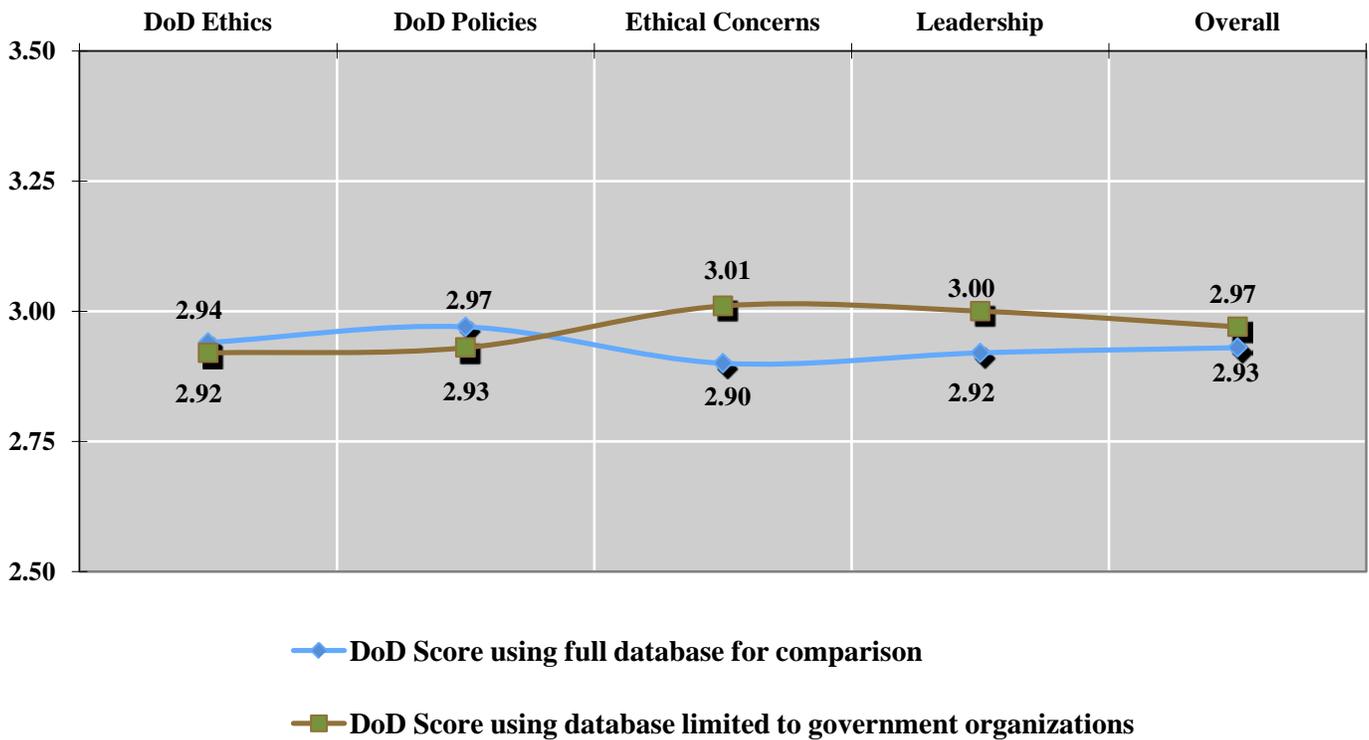
STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
88%	4%	8%

Care should be taken in interpreting this type of information. This type of data just shows frequencies - it does not show cause or association.

These graphs also do not compare DoD to other organizations. This is the purpose of the standardized scores mentioned above. This means that DoD may have an average or below average standardized score for an item, even though the majority of DoD employees answered the question positively (as indicated in the chart). All this means is that employees from other organizations gave an even more positive response than DoD employees.

OVERALL PERFORMANCE

Overall Score: 2.93 / 2.97



DoD's overall score is **about average** and differs insignificantly from the mean or "normal" score of 3.00.

This is the most reliable and indicative result reported herein. While all organizations seek an above average score, it is important to consider two factors. The first is that it is harder to achieve a consistency of ethical culture in an organization the size of the Department of Defense. The second is that organizations participating in survey administration self-select participation, so that the comparison is to at least somewhat "ethics-aware" organizations. We believe that the detailed survey results discussed in this report suggest several areas of focused improvement that can contribute to a significantly higher over-all score. When comparison is restricted to other government organization, performance on this survey administration is stronger.

OVERALL SURVEY PERFORMANCE BY EMPLOYEE CATEGORY

POSITION/STATUS	DoD SCORE VS. OVERALL	DoD SCORE VS. GOV'T ONLY
Military	2.94	2.97
Civilian	2.94	2.97
Enlisted	2.81	2.84
Officer	3.08	3.11
GS-11 or Below	2.90	2.93
GS-12 or Above	2.95	2.98
Acquisitions Related - Yes	2.96	2.99
Acquisitions Related - No	2.88	2.91

Note that the identical score reported in the first two rows of this graph are accurately and independently calculated – and must be considered a statistical coincidence.

Variation in overall score by employee category is fairly low and normal, with self-identified higher level/ranking employees having higher scores than self-identified lower level/ranking employees. There is also a higher score for self-identified Acquisitions Related employees compared to those self-identified as Non-Acquisitions Related employees.

It is important to note that the categories scoring below average include self-identified enlisted military employees. This is a difficult group with which to influence ethical culture as their tenure with the organization may be comparatively brief and their familiarity with the organization comparatively narrow.

EVALUATIVE SCALE PERFORMANCE

Results for the four evaluative scales comprising the basic survey are included in this section. Results are also reported for the items comprising each scale. Some items are reverse scored items. Adjustments have been made for such items to uphold the general protocol that a higher number is always a better score for any item or scale.

I. ETHICS: 2.94 (2.92)¹

This scale measures the extent to which employees are likely to exercise good judgment and observe professional and ethical standards in situations not clearly decided by written policy.

II. POLICIES: 2.97 (2.93)

This scale measures the extent to which employees are likely to comply with stated (written) organizational policies, as distinct from professional standards and informal standards of good judgment and sound ethics.

III. ETHICAL CONCERNS: 2.90 (3.01)

This scale measures the extent to which employees will raise ethics and compliance concerns through appropriate organizational channels.

IV. LEADERSHIP ETHICS: 2.92 (3.00)

This scale measures the extent to which employees believe that the organization and its leadership are committed to high ethical standards.

NOTE ON INTERPRETING SCORES

The base score for scales and items is 3.00.

- A score of 3.00 is an **average** score for any item or scale.
- A score **higher** than 3.00 is positive (above average).
- A score **lower** than 3.00 is negative (below average).

Scores for scales and individual items are less indicative than the overall survey score.

¹ Scores in parentheses throughout the report are DoD scores in comparison to government organizations only.

INDIVIDUAL SCALES AND ITEMS

I. DoD ETHICS

This scale is intended to assess the extent to which employees are likely to exercise good judgment and observe professional and ethical standards in situations not clearly decided by written policy.

Score: 2.94 / 2.92

Employees seem to have an average commitment to ethical conduct.

DoD ETHICS COMPARATIVE SCORES		
POSITION/STATUS	SCORE VS. OVERALL	SCORE VS. GOV'T ONLY
Military	2.89	2.87
Civilian	2.95	2.93
Enlisted	2.75	2.73
Officer	3.06	3.04
GS-11 or Below	2.92	2.90
GS-12 or Above	2.96	2.94
Acquisitions Related - <i>Yes</i>	2.97	2.95
Acquisitions Related - <i>No</i>	2.88	2.86

Commitment to ethical conduct by DoD employees ranges from a little below average to a little above average with employees who identified themselves as officers scoring highest followed by employees who identified themselves as acquisitions related and by employees who identified themselves as GS-12 or above.

DoD ETHICS – INDIVIDUAL ITEMS

1. Every DoD employee, supervisor, and manager/commander is expected to observe the same standard of ethical conduct.

Indicates the extent to which employees perceive that all DoD employees are expected to follow ethical standards.

Score: 3.27 / 3.25

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
88%	4%	8%

Employees believe that a common standard of conduct applies to all DoD employees to an extent that is above average. This is an important, positive result since employees will only respect an ethics initiative if they see that a single set of standards applies to all employees.

2. Upholding high standards of ethical conduct is important to my ability to succeed in my current assignment.

Indicates the extent to which employees perceive upholding high standards of conduct as important to their employment success.

Score: 3.55 / 3.53

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
96%	3%	1%

Employees seem to view ethical conduct as important to their success at DoD, which is indicative of an ethical work environment in employees' immediate work groups.

3. DoD often rewards managers/commanders, supervisors, or employees for doing things I regard as unethical.

Indicates the extent to which employees feel that unethical behavior is rewarded.

Score: 2.35 / 2.33

This is a reverse scored item; the scores reported are corrected.

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
21%	28%	51%

Employees believe DoD rewards *unethical* behavior to an extent that is well above average. (The result is similar when the comparison is limited to other government organizations.) This result strongly suggests that employees see the reward system as out of sync with the demands of their immediate work environments in terms of ethics.

4. I would be comfortable if the public knew how we make decisions.

Indicates the extent to which employees view decisions made in the workplace as being in the interests of the public.

Score: 2.60 / 2.58

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
64%	20%	16%

Employees have below average confidence that their decisions reflect the interests of the public and would stand up to public inspection. In terms of ethical climate, the result indicates a need to better communicate the “whys” behind decisions and the need for ethical balance in complex decision making situations.

Note that most employees would be comfortable letting the public know how decisions were made, but that this majority is still far less than the average across all organizations participating in the survey.

5. I sometimes do things as part of my job that conflict with my personal ethics.

Indicates the extent to which employees feel their job responsibilities conflict with their personal ethics.

Score: 2.91 / 2.89

This is a reverse scored item; the scores reported are corrected.

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
12%	12%	76%

Employees view their job responsibilities as conflicting with their personal ethics to an extent that is above average to average.

II. DoD POLICIES

This scale is intended to assess the extent to which employees are likely to comply with stated (written) organizational policies, as distinct from professional standards and informal standards of good judgment and sound ethics.

Score: 2.97 / 2.93

This score indicates that the overall policy-compliance orientation of DoD employees is **about average**.

DoD POLICIES COMPARATIVE SCORES		
POSITION/STATUS	SCORE VS. OVERALL	SCORE VS. GOV'T ONLY
Military	2.84	2.80
Civilian	3.00	2.96
Enlisted	2.69	2.65
Officer	3.02	2.98
GS-11 or Below	2.92	2.88
GS-12 or Above	3.04	3.00
Acquisitions Related - <i>Yes</i>	3.02	2.98
Acquisitions Related - <i>No</i>	2.88	2.84

The policy-compliance orientation of DoD employees is average across groups (excepting employees self-identified as enlisted). This is a positive result suggesting good adherence to formal standards across DoD. Self-identified officers, self-identified higher level civilian employees and self-identified acquisitions related employees appear to more observant of policy requirements than average for the Department.

DoD POLICIES – INDIVIDUAL ITEMS

1. If I disliked a DoD ethics policy or guideline, I would still follow the policy or guideline.

Indicates the extent to which employees will follow policies and guidelines they consider unfair or otherwise incorrect.

Score: 3.11 / 3.07

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
79%	15%	6%

Employees are willing to adhere to a stated policy or guideline with which they personally disagree to an extent that is above average - a positive result in an important area.

2. When I need to act quickly, I may do what the situation requires rather than sticking to a policy or guideline.

Indicates the extent to which perceived workplace pressure may lead employees to violate organizational policies or guidelines.

Score: 2.56 / 2.52

This is a reverse scored item; the scores reported here are corrected.

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
25%	22%	53%

Perceived pressure may lead DoD employees to *violate* policies and/or guidelines to a degree that is above average.

Employees of most organizations will violate policies if they feel pressured to do so. DoD employees seem even more likely than employees of other organizations to see workplace pressure as a cause of non-compliance conduct.

3. My immediate supervisor sometimes asks me to do things that violate our ethical standards, policies or the law.

Indicates the extent to which employees believe their immediate supervisors ask them to violate ethical standards, policies or the law.

Score: 3.38 / 3.34

This is a reverse scored item; the scores reported here have been corrected.

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
7%	9%	84%

Employees seem confident in the integrity of the direction given to them by their immediate supervisors. This positive result suggests good buy-in by supervisors with respect to ethics messages. This, in turn, suggests that participation and support by supervisors may play an important role in assuring the success of later efforts to strengthen the DoD ethical climate.

4. I am seldom pressured to compromise ethical standards in order to meet workplace goals.

Indicates the extent to which employees feel that they are expected to compromise ethical standards to achieve goals.

Score: 2.72 / 2.68

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
62%	13%	25%

Employees seem to feel that pressure may lead them to compromise ethical standards to a degree that is about average. This item is often interpreted in conjunction with item 2 in this scale to determine whether adherence to ethical standards and adherence to policies differ with respect to resilience to pressure. No such differential is indicated here.

5. DoD’s ethics guidelines are clear enough to help resolve most of the questions I face in my work.

Indicates the extent to which DoD’s ethics guidelines are clear to employees.

Score: 3.08 / 3.04

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
78%	15%	7%

Employees find DoD’s ethics guidelines to be clear to an extent that is **above average**. It is important to note that these guidelines more closely resemble compliance guidelines (do’s and don’ts) than the broader, values-based imperatives typically called “ethics guidelines” in non-government organizations.

This result indicates an important accomplishment given the complexity of rules applicable to federal employees. It also suggests that ethics guidelines, the applicable rules, are well presented in existing training and communications efforts.

III. ETHICAL CONCERNS

This scale is intended to assess the extent to which employees will raise ethics concerns through appropriate organizational channels.

Score: 2.90 / 3.01

Employees are **about average** to slightly **below average** in their willingness to report ethics concerns through appropriate organizational channels. However, when the comparison is limited to governmental organizations, DoD employees are average in their willingness to report concerns. Notwithstanding this adequate result, willingness to raise ethical concerns is a critical topic in determining DoD’s ethical culture and was also a key theme of the open comments section of the survey (Appendices B and C) and of focus group discussions (Appendix A).

ETHICAL CONCERNS COMPARATIVE SCORES		
POSITION/STATUS	SCORE VS. OVERALL	SCORE VS. GOV’T ONLY
Military	3.02	3.13
Civilian	2.88	2.99
Enlisted	2.91	3.02
Officer	3.14	3.25
GS-11 or Below	2.85	2.96
GS-12 or Above	2.89	3.00
Acquisitions Related - <i>Yes</i>	2.92	3.03
Acquisitions Related - <i>No</i>	2.88	2.99

Participants who identified themselves as military, officers and acquisitions-related appear more likely to use appropriate internal reporting channels.

ETHICAL CONCERNS – INDIVIDUAL ITEMS

1. I might be retaliated against for reporting misconduct by a manager/commander or supervisor through proper channels.

Indicates the extent to which employees believe they will be punished for reporting misconduct by managers/commanders or supervisors through proper channels.

Score: 2.47 / 2.58

This is a reverse scored item; the scores reported are corrected.

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
29%	26%	45%

Employees seem to *fear* retribution for reporting *managerial/commander* misconduct to an extent that is **worse than average**. When the comparison is limited to government organizations, the result is better but remains below average. Retaliation should be considered an important topic for any effort to strengthen DoD's ethical climate. The importance of this area was confirmed in both the open comments and focus group elements of this project as well.

2. If someone in my work group was accused of unethical conduct, I would be comfortable assisting DoD in investigating the matter.

Indicates employees' willingness to assist in investigations of improper conduct.

Score: 3.06 / 3.17

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
72%	18%	10%

Employees seem willing to assist in investigations of improper conduct to a degree that is **above average**. When comparison is limited to other government organizations, the DoD result is even further above average.

3. My immediate supervisor will listen to my ethical concerns.

Indicates the extent to which employees view their immediate supervisors as open to employee ethics concerns.

Score: 3.33 / 3.44

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
83%	11%	6%

Employees have **above average** confidence in the willingness of their immediate supervisors to listen to their ethical concerns. The result is even further above average in the government organizations comparison. Open comments and focus groups results support the finding that many DoD employees have confidence in the ethics of their immediate supervisors and see problems arising at “some higher level”.

4. Top management/command where I work encourages employees to raise ethical concerns.

Indicates the extent to which employees view top management/command as encouraging discussion of employees' ethical concerns.

Score: 2.89 / 3.00

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
60%	27%	13%

Employees seem to believe that top management/command at their work location encourages employees to raise ethical concerns to an extent that is **below average**. When the comparison is restricted to other government organizations, DoD employees have **average** confidence in the level of encouragement for raising ethical concerns that they receive from top management/command.

5. If I am uncomfortable raising an ethical issue with my supervisor, I would be comfortable raising the issue with the appropriate IG’s office.

Indicates the extent to which employees feel comfortable bringing their ethical concerns to the appropriate IG’s office.

Score: 2.77 / 2.88

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
59%	21%	20%

Employees are comfortable raising ethical concerns with the appropriate IG’s office to an extent that is **below average**. This is a concerning result as the OIG is one of the correct reporting channels available to DoD employees. This issue was much addressed in open comments, where a number of respondents commented on perceived lack of feedback and follow through. In the focus group sessions it was apparent that some employees do not understand the role of the OIG.

IV. LEADERSHIP ETHICS

This scale is intended to assess the extent to which employees believe that the organization and its leadership are committed to high ethical standards.

Score: 2.92 / 3.00

Employees seem to have slightly **below average** confidence in the ethics of top leadership and in the ethics of the organization itself. When the comparison is restricted to government organizations, the level of confidence in the ethics of top leadership and the organization is **average**.

Confidence in leadership is highest among military employees, and specifically among officers, and among acquisition related employees.

LEADERSHIP ETHICS COMPARATIVE SCORES		
POSITION/STATUS	SCORE VS. OVERALL	SCORE VS. GOV'T ONLY
Military	2.97	3.05
Civilian	2.90	2.98
Enlisted	2.88	2.96
Officer	3.08	3.16
GS-11 or Below	2.90	2.98
GS-12 or Above	2.90	2.98
Acquisitions Related - <i>Yes</i>	2.93	3.01
Acquisitions Related - <i>No</i>	2.88	2.96

LEADERSHIP ETHICS – INDIVIDUAL ITEMS

1. Management/command where I work makes demands that can only be met by violating standards.

Indicates the extent to which employees feel that they are expected to violate standards to achieve management/command demands.

Score: 3.38 / 3.46

This is a reverse scored item; the scores reported here have been corrected.

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
5%	14%	81%

Employees do *not* seem to perceive that management/command where they work makes demands that can be met only by violating standards. Thus, when employees feel that pressure may lead to ethical violations, they are not blaming leadership/command in their work environment.

2. Most of the managers/commanders where I work respect DoD's policies and ethical standards.

Indicates employee confidence in adherence to policies and ethical standards by the managers/commanders.

Score: 3.31 / 3.39

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
80%	14%	6%

Employees have confidence in managerial/commander respect for policies and ethical standards to a degree that is **above average**.

3. DoD’s top leadership will not compromise on ethics just because the going gets tough.

Indicates employee confidence in leadership’s commitment to ethical practices.

Score: 2.80 / 2.88

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
53%	33%	14%

Employees have **below average** confidence in the resilience of DoD top leadership’s commitment to ethical standards. The score for this item is sometimes influenced by critical events in the history of an organization such as a publicized ethics issue affecting the organization.

4. To the extent that I know about other Federal Agencies, DoD has *higher* ethical standards than the others.

Indicates employees' belief that, as far as they know, their organization has higher ethical standards than other comparable organizations.

Score: 2.64 / 2.72

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
35%	59%	6%

DoD employees do **not** perceive DoD to have higher ethical standards than other Federal agencies.

Note that this item does not indicate that employees compare DoD *unfavorably* to other Federal Agencies but rather that they do not see DoD as having higher standards than other agencies.

5. During the past year, I have noticed a tendency to strengthen ethical standards where I work.

Indicates the extent to which employees have noticed an effort to strengthen ethical standards at their organization during the past year.

Score: 2.45 / 2.53

Distribution of Responses:

STRONGLY AGREE & AGREE	NEITHER AGREE NOR DISAGREE	STRONGLY DISAGREE & DISAGREE
33%	50%	17%

Employees do **not** believe that ethical standards have been strengthened during the past year.

V. DoD VALUES

The information in this section is not part of the four scales which comprise the basic survey score (overall score) and is not presented in a standardized format.

I. VALUES

1. The most important thing on a personal level in my day-to-day work is:

	Number	Percent
1. Observing ethical standards and guidelines.	5,957	11.36
2. Meeting organizational objectives.	8,527	16.26
3. Pay and promotion.	1,264	2.41
4. Upholding high standards of performance.	22,449	42.82
5. Satisfaction in doing my job.	14,235	27.15
Total	52,432	100.00

The results for this item indicate that DoD employees are motivated mainly by upholding high standards of performance and by satisfaction in doing their jobs. This response is indicative of an organization in which the ethical culture can be improved through a re-emphasis on mission and values as opposed to policy enforcement as a primary motivator.

2. For my immediate supervisor, the most important thing on a day-to-day basis is:

	Number	Percent
1. Observing ethical standards and guidelines.	5,177	9.97
2. Meeting organizational objectives.	27,739	53.45
3. Pay and promotion.	2,450	4.72
4. Upholding high standards of performance.	13,206	25.44
5. Satisfaction in doing his/her job.	3,329	6.41
Total	51,901	100.00

There is a surprising gap between employees' perception of their own work motivation and the perceived work motivation of their supervisors. This disconnect in terms of perceived values may partly explain some of the problem areas in the DoD ethical culture revealed in this survey.

3. For senior managers/commanders where I work, the most important thing on a day-to-day basis is:

	Number	Percent
1. Observing ethical standards and guidelines.	5,335	10.32
2. Meeting organizational objectives.	33,564	64.90
3. Pay and promotion.	2,882	5.57
4. Upholding high standards of performance.	8,689	16.80
5. Satisfaction in doing his/her job.	1,244	2.41
Total	51,714	100.00

This result confirms the result reported in item 2 immediately above.

This table compares the results for the preceding three items:

Values Comparison			
	Self	Perceived for Supervisor	Perceived for Senior Managers/Commanders
1. Observing ethical standards and guidelines.	11.36%	9.97%	10.32%
2. Meeting organizational objectives.	16.26%	53.45%	64.90%
3. Pay and promotion.	2.41%	4.72%	5.57%
4. Upholding high standards of performance.	42.82%	25.44%	16.80%
5. Satisfaction in doing his/her job.	27.15%	6.41%	2.41%
Total	100%	100%	100%

4. For DoD as a whole, the top priority is:

	Number	Percent
1. Observing ethical standards and guidelines.	8,202	15.87
2. Protecting the Department's reputation.	4,811	9.31
3. Avoiding criticism	3,913	7.57
4. Meeting the Department's objectives.	34,758	67.25
Total	51,684	100.00

This result again confirms a disconnect between what employees perceive as their own values and the values that they believe drive leadership and the organization itself.

II. VALUES IN PRACTICE

5. If I observed misconduct where I work, I would probably:

	Number	Percent
1. Discuss the problem with my immediate supervisor.	34,867	66.98
2. Raise the problem with an authority outside of DoD.	683	1.31
3. Wait and see if the problem was serious enough to require action.	6,728	12.92
4. Discuss the situation with my colleagues before deciding what to do.	7,618	14.63
5. Confer with family or friends before deciding what to do.	2,163	4.15
Total	52,059	100.00

This result confirms the survey finding that DoD employees are comfortable reporting perceived misconduct through their immediate supervisors.

6. If I discussed an ethical problem with my supervisor, and it still was not corrected, I would:

	Number	Percent
1. Raise the issue with my personnel/HR representative.	20,169	39.05
2. Raise the problem with an authority outside of DoD.	1,060	2.05
3. Drop the issue unless matters became worse.	8,112	15.71
4. Contact the appropriate IG's office.	18,079	35.00
5. Avoid personal involvement in the problem.	4,228	8.19
Total	51,648	100.00

If employees do not resolve a problem by discussing it with their immediate supervisors, they will go to their personnel representatives or to an IG's office. However, a significant percentage would drop the issue or avoid personal involvement with 2 percent opting to go outside of the Department.

7. The single thing most likely to improve ethical standards where I work is:

	Number	Percent
1. Improved ethics guidelines, policies, and procedures.	20,172	40.35
2. Fairer evaluations of employees.	12,940	25.89
3. A change in higher level management or command.	8,526	17.06
4. Less pressure to meet DoD objectives.	8,349	16.70
Total	49,987	100.00

Employees see improved ethics guidelines, policies and procedures and fairer evaluation of employees as keys to improving ethical standards. Focus group participants put emphasis on fairer evaluation of employees with emphasis on more accurate evaluation of substandard performance.

ADDITIONAL INFORMATION

In addition to the scales and items common to most survey administrations, the survey included items that elicit additional information of potential diagnostic assistance.

1. I regularly receive information about ethics topics.

Yes: 62.73 % No: 37.27%

This number is very low compared to the normal baseline of above 90% with other organizations in the survey database. This result may be partly explained by employees who regularly receive “compliance” information in ethics training but do not identify it as “ethics “information.

REGULARLY RECEIVE ETHICS INFORMATION			
	Survey Score	Number of Responses	Percent of Response
Overall	3.04	32,474	62.73
DoD Ethics	3.03		
DoD Policies	3.06		
Ethical Concerns	3.02		
Leadership Ethics	3.03		
DOES NOT REGULARLY RECEIVE ETHICS INFORMATION			
Overall	2.76	19,290	37.27
DoD Ethics	2.79		
DoD Policies	2.82		
Ethical Concerns	2.72		
Leadership Ethics	2.72		

Note that scores for employees who acknowledged regularly receiving ethics information are much higher than scores for employees who do not acknowledge receiving such information.

2. During the past year, I recall attending ethics training conducted by an ethics official, via the web, or using other computer-based method(s) (e.g. CD-ROM).

Yes: 87.99 % No: 12.01%

This result is below the average (90+%) level of recollection of ethics training in mature ethics programs. Those who recall receiving training (the vast majority) generally give DoD higher marks than those who do not. The OGE Executive Branch Employee Ethics Survey 2000 (pp. 41, 44) also suggests associations between awareness/recollection of training and frequency of training and overall perception of ethical climate.

ATTENDED ETHICS TRAINING DURING PAST YEAR			
	Survey Score	Number of Responses	Percent of Response
Overall	2.97	45,601	87.99
DoD Ethics	2.97		
DoD Policies	3.01		
Ethical Concerns	2.93		
Leadership Ethics	2.95		
DID NOT ATTENDED ETHICS TRAINING DURING PAST YEAR			
Overall	2.69	6,226	12.01
DoD Ethics	2.69		
DoD Policies	2.71		
Ethical Concerns	2.68		
Leadership Ethics	2.65		

It is clear that training makes a difference to employees' perception of the ethics and compliance environment at DoD. Other research suggests that it is not only the fact or recollection of training that makes a difference, but also the quality of the training and approach taken.

3. I am aware of DoD's Standard of Conduct.

Yes: 95.38 % No: 4.62%

The percentage of employees aware of the Standards of Conduct is consistent with baseline expectations based on other survey administrations.

AWARE OF DoD'S STANDARDS OF CONDUCT			
	Survey Score	Number of Responses	Percent of Response
Overall	2.95	49,422	95.38
DoD Ethics	2.96		
DoD Policies	2.99		
Ethical Concerns	2.92		
Leadership Ethics	2.93		
NOT AWARE OF DoD'S STANDARDS OF CONDUCT			
Overall	2.57	2,392	4.62
DoD Ethics	2.60		
DoD Policies	2.59		
Ethical Concerns	2.54		
Leadership Ethics	2.55		

4. Before reading this survey, I was aware of the DoD Hotline which employees can call anonymously if they have ethical concerns.

Yes: 63.70 % No: 36.30%

This number is low compared to a baseline number exceeding 90% in organizations in the survey database. This correlates with negative results obtained elsewhere in the survey concerning internal reporting.

AWARE OF THE DoD HOTLINE			
	Survey Score	Number of Responses	Percent of Response
Overall	3.01	32,969	63.70
DoD Ethics	3.00		
DoD Policies	3.04		
Ethical Concerns	2.99		
Leadership Ethics	2.99		
NOT AWARE OF THE DoD HOTLINE			
Overall	2.81	18,785	36.30
DoD Ethics	2.84		
DoD Policies	2.86		
Ethical Concerns	2.76		
Leadership Ethics	2.79		

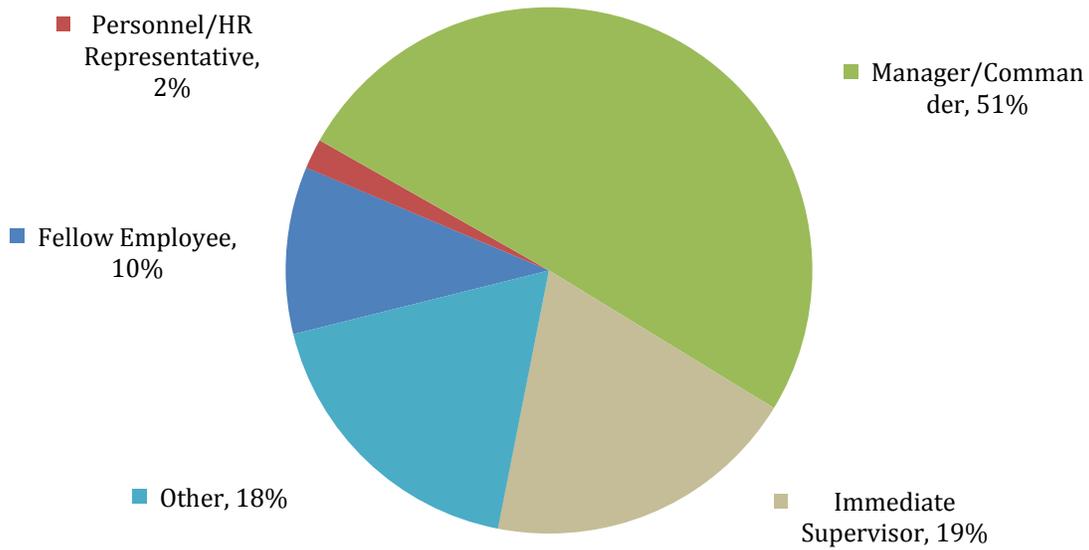
5. I would be afraid of retaliation if I called the DoD Hotline:

Yes: 20.11 % No: 79.89 %

This result exceeds the normal level of reported fear of retaliation for calling an established ethics or compliance hotline. There is also a strong (inverse) relationship between an affirmative answer to this item (fears retaliation) and the overall survey score and the scores for the four survey scales. This indicates that this is an important issue for DoD employees and a topic that should be addressed in efforts to fortify the DoD ethical culture.

FEARED RETALIATION FOR CALLING THE DoD HOTLINE			
	Survey Score	Number of Responses	Percent of Response
Overall	2.46	10,371	20.11
DoD Ethics	2.49		
DoD Policies	2.71		
Ethical Concerns	2.23		
Leadership Ethics	2.40		
DID NOT FEAR RETALIATION FOR CALLING THE DoD HOTLINE			
Overall	3.06	41,205	79.89
DoD Ethics	3.05		
DoD Policies	3.04		
Ethical Concerns	3.08		
Leadership Ethics	3.05		

6. Of those who fear retaliation, employee feels the following type of person would be most likely to retaliate against them:



This result is unusual in that so high a level of fear of retaliation focuses on managers/commanders as opposed to supervisors and fellow employees. The more usual result is that fear of retaliation by peers and by managers is about equal.

7. I have worked within DoD for:

	Score	Number of Responses	Percent of Response
Less than 1 year	3.04	1,797	3.46
2 to 5 years	2.94	9,117	17.57
6 to 10 years	2.87	6,471	12.47
More than 10 years	2.94	34,508	66.50

Employees who have worked for DoD the least amount of time have a more positive response to the ethics environment than employees with more tenure. It seems that later in an employee's tenure with DoD perceptions of ethical climate improve, but not to the level of new employees. It is a sign of a healthy ethical culture that perception of the ethical climate improves with tenure in the organization.

RECOMMENDATIONS

INTRODUCTION

The recommendations in this section are intended to address the specific purposes of this study. Recommendations are based on the survey findings as stated in this report, including open comments and focus group results, as well as relevant research in the area of organizational ethics and the experiential background of the Council of Ethical Organizations and the Human Resources Research Organization.

A note on the terminology used in these recommendations:

The terminology used in conjunction with ethics programs is diverse and often confusing. What are called ethics programs in a government context are often called compliance programs in non-government organizations. Generally, “compliance program” is a term used in reference to rules-based, legally-driven programs. Programs that are more values-based and ethics driven are often simply referred to as “ethics programs” or “integrity programs.” These programs aim to motivate appropriate conduct through attention to values and ethical principles. DoD’s program is currently referred to as an “ethics program” even though it is more rules-based - i.e., more like a traditional compliance program. In the following recommendations, we use “ethics program” as synonymous with one that is values-based - a program that is intended to reduce unethical and illegal conduct and is framed in terms of mission, values and ethical commitments as well as including a focus on regulatory, legal and policy parameters. Thus, the terms “ethics” and “ethics program” as used herein are used in a broader sense than the typical United States government usage that tends to view ethical standards mainly in terms of guiding regulations and legislation.

GENERAL RECOMMENDATIONS

1. Focus on Mission and Values

Survey results indicate that DoD employees are motivated by upholding high standards of performance and by satisfaction in doing their jobs. On the other hand, DoD employees do not view their superiors as motivated by the same factors. This is indicative of an organization in which the ethical culture can be improved through a re-emphasis on Departmental mission (the security of the United States of America - as opposed to specific “missions”) as a primary motivator.

While leaders in most organizations are in fact highly motivated by mission and values, the ability to communicate this motivation to the organization is variable and often requires specific attention by leadership.

It is also essential that communications to the organization generally (not only from leadership) be framed in terms of mission and values. While it is often assumed that members of an organization tacitly understand its mission and underlying values, this is not uniformly the case. DoD employees hear questions about the validity of their actions from sources outside of DoD and some may conclude that their mission and values are not well supported by the public. This is indicated by the lack of confidence that DoD employees have that the public would respect their decision making and see it as in the public interest. (Ethics Scale, Item 4, page 22) Employees do not see DoD as making progress in improving its ethical climate, even though broader survey results show a basically healthy ethical climate.

When employees believe that their work would not be viewed as in the public interest, it is hard to sustain morale and convince them that it is the mission and values that matter most. While DoD cannot change what the media says about its actions, and whether or not these actions are motivated by mission and values, it must uphold and communicate the values and mission of the organization to its internal constituents. DoD employees are open to this message if it is conveyed in a credible manner.

There is no certain formula or recipe for addressing these issues. There is a broad base of organizational research that supports the view that the task of strengthening the ethical culture of an organization depends on the messages sent and behaviors exemplified by leadership. With this in mind, we recommend that

- DoD leadership communicate to employees at every opportunity that the reasoning for actions and decisions is based on the values of the organization and its legitimate mission. It may be necessary to undertake a communication and/or training effort within leadership ranks to refocus the DoD’s internal communications efforts around a more values- and mission -based foundation.

- Routine communications with members of the DoD should be framed in terms of their relationship to the agency’s mission and values. Communications should be reviewed to ensure that they include a mission and values based *reason* for the content communicated, as well as the specific actions required. While DoD is and must be a command-and-control organization, it can also address the “whys” of policies, procedures and directives.

It may be useful to consider the differences between the ways in which ethics and compliance programs are structured in private sector organizations, both for-profits and non-profits, and the way in which they are structured in Federal agencies. In private sector organizations, the chief ethics or compliance official normally has a direct reporting relationship to the CEO and to the organization’s governing body, such as a board of directors. The reporting relationship to the governing body (board) takes precedence even over the relationship with the CEO with the ethics or compliance official meeting regularly (normally quarterly) with the independent directors without the presence of any members of management. This reporting structure is, in fact, mandated for many organizations that contract with such agencies as DoD and the Department of Health and Human Services to ensure the highest level of accountability in contractors. In Federal agencies, the functions performed by a private sector chief ethics or compliance official are divided between ethics officials and the appropriate Office of Inspector General. This makes it harder to send a consistent message about ethics and compliance expectations and may not provide as much opportunity for a single, senior level ethics or compliance official to support executive leadership in setting the “tone at the top”.

2. Focus on Leadership

According to survey results, DoD employees have slightly below average confidence in the ethics of top leadership and in the ethics of the organization itself. When comparison is restricted to government organizations, the level of confidence in the ethics of top leadership and the organization is average. Confidence in leadership is highest among officers and among acquisition related employees.

Survey results also suggest an explanation for why there is not more confidence in leadership. DoD employees perceive a gap between their own work motivation and the work motivation of their supervisors, leadership, and the DoD itself. Specifically, employees see themselves as far more motivated by upholding standards and by work satisfaction, while they see higher level managers as motivated by objectives.

This gap in perceptions may be explained by the fact that it is the job of managers to translate objectives into performance by employees. Employees may not relate these objectives to organizational values and mission, so that employees see higher level managers pursuing objectives without connection to the broader context of what the agency does and should do.

Thus, it becomes important for those in DoD leadership positions to put the objectives they set for the organization in a broader context. Employees will only respond to the culture of the organization as ethical if they perceive that leadership and the organization itself buy into the organization’s mission and values. The measures addressed in the first recommendation also apply again with emphasis on the agency’s leadership. Specifically, we recommend that:

- DoD leadership frame decisions, policies, and actions in terms of mission and values considerations.
- Leadership should seek to identify cases in which agency employees have made sound ethical decisions and recognize both the decisions and the employees who made them. This helps to show what leaders value and creates an incentive for other employees to make decisions along the same lines.
- Leaders should address values and ethics issues in their routine communications with their staff and with other employees. The goal here is to show that going beyond doing what is compliant with the rules to doing what supports the agency's mission and values is a priority for leadership.
- If DoD considers a new round of ethics training, this would provide an opportunity for senior DoD executives to show their support for ethical conduct. We have found that a protocol of having each live training session introduced by a high level leader increases the effectiveness of the sessions as much as anything that can be accomplished in the design and delivery of the sessions themselves. (See also Recommendation 6 below.)
- A suggestion that arose through the focus groups was to conduct round table ethics discussions as part of, or in addition to, the current ethics training where employees can openly bring forth and discuss ethical issues and concerns amongst peers. It might be particularly useful to capture (video) round table discussions involving leadership in which the concern for mission and values is likely to be evident. Focus group participants also expressed an interest in live sessions or roundtables involving supervisors to ensure relevance to their own work environments. While ethics training tends to focus on regulations, policies, and procedures, round table discussions foster dialogue in regards to the practical day-to-day implications of these rules.

3. Focus on Middle Management

Most DoD employees have confidence in the integrity of their immediate supervisors and will discuss concerns with them. Supervisors, most of whom are mid-level managers, will play a key role in determining the success or failure of any effort to fortify the culture of an organization. While earlier recommendations focus on higher level leadership, it would be a mistake to ignore the layers of management with the most direct employee contact. (The OGE 2000 Executive Branch Employee Ethics Survey and many other studies of organizational ethics identify mid-managers as appropriate targets for more ethics training due to their role in influencing organizational ethical culture.) While middle managers play an important role in shaping the ethical culture of an organization, this level of an organization is often difficult to influence. In addition to the recommendations that relate specifically to leadership, we recommend that

- DoD middle managers be involved in the design and implementation of measures intended to strengthen the ethical culture of the organization. For example, middle managers should have a chance to review communications and training materials prior to implementation. If a unified reporting protocol is implemented (as below; Recommendation 5), middle managers should have input into this protocol - an issue about which they tend to have strong feelings.

- Middle managers who take actions that go beyond requirements to foster an ethical work environment should be recognized by higher levels of the organization. For example, a middle manager who assists in the delivery of an ethics training program on her/his own time might be recognized by higher level leadership. A supervisor who contributes to the development of communications materials related to ethics, such as a case study reflecting a work situation they experienced, might be similarly recognized. Examples of actions that exemplify a commitment to the mission and values of the organization supply the best targets for acknowledgement.
- Middle managers should be encouraged, in turn, to recognize and acknowledge ethical conduct - conduct that goes beyond the requirements in support of agency values - within their own scope of command.

4. Ensure that Reward Systems Reflect Mission and Values

Several survey results point to evaluation system issues.

1. Employees see fairer evaluation of employees as important to improving ethical standards. Open comments and focus group sessions put emphasis on this area.
2. Employees also believe DoD rewards *unethical* behavior to an extent that is well above average. This result suggests that employees see the reward system as out of sync with the demands of their immediate work environments in terms of ethics.
3. Survey results indicate that perceived pressure may lead DoD employees to *violate* policies and/or guidelines to a degree that is above average.

These observations suggest that employees do not see DoD's performance evaluation systems paying adequate attention to *how* goals are accomplished, as opposed to whether or not they are accomplished. Addressing ethical considerations in performance appraisal is a complex problem that often meets stiff resistance from human resources professionals, who worry about the adequacy of measures of ethical performance. However, even minor adjustments in performance appraisal processes sometimes yield good results in terms of ethics. For example, several non-government organizations require specific input from their ethics staff on all promotions and incentives for managers above a certain level. While ethics staff seldom make or break a promotion, the fact that they participate in promotion considerations sends a strong message to leadership. Many organizations have found that simply including ratings of ethics or integrity in standard evaluation forms sends a message that the organization takes these factors seriously. Thus, we recommend that

- DoD look at ways in which its performance evaluation systems can better recognize adherence to the agency's ethics and values standards.

Many private sector organizations, for profits and non-profits have moved to incorporate adherence to ethics and compliance standards in performance evaluations systems. There is no standard approach at this point. Many organizations focus on "measurables" such as the percentage of employees completing mandated ethics training timely and the level of cooperation in investigations (case closure percentage, time, and rated adequacy). Other organizations require that the appropriate ethics official concur with promotions, raises, or incentives for managers and

executives above a certain level before the benefit can be enacted. A combination of these approaches has proven most effective within the experience of the consultants.

5. Address Reporting and Retaliation

No area stands out more clearly in the survey results than fear of retaliation for reporting concerns. The body of research on organizational ethics, as well as our own experience, confirms the importance of a willingness to report concerns to a strong ethical culture. If a values-based approach is to drive the agency's culture, reporting channels must be open to concerns about whether an action is appropriate in terms of the organization's values, as well as to issues more directly related to rules and policies.

Results to consider in this area include:

1. During the survey administration process, the most common topic of calls received by the survey administration team was anonymity and a related fear of retaliation if survey results were not truly anonymous.
2. Survey results indicated that employees fear retribution for reporting *managerial/commander* misconduct.
3. Survey results indicate that employees are comfortable raising ethical concerns with the appropriate IG's office to an extent that is below average. The OGE Executive Branch Employee Ethics Survey 2000 reports a related result. The issue of reporting to OIG was also addressed in open comments, where several respondents commented on a perceived lack of follow through or feedback. In the focus group sessions it became apparent that some employees do not understand the role of the OIG.
4. A significant percentage of DoD employees would drop an ethical issue or avoid personal involvement with the issue if it could not be resolved at the supervisory level. Some employees would opt to go outside of the Department.
5. Employee awareness of the DoD hotline was surprisingly low (64%) compared to what we typically find in government and non-government organizations (more than 90%).

These results point to several recommendations:

- Establish a clear internal reporting protocol (which may involve one or several reporting mechanisms) for employees who have questions, concerns, complaints of a values or ethics nature. Employees are often unclear as to the nature of a concern, so the protocol needs to allow input that is not well defined from the employee's perspective. This protocol is often in the form: "Your first resource is your immediate supervisor or manager. If you are uncomfortable raising the issue at this level or are dissatisfied with the response you receive, you may report your concern at a higher level within your office. If you do not wish to take this course, you may contact...(recommended resource or resources)...at any point. If you are not comfortable with any of these channels, you may contact the [designated resource –likely OIG] at any point..." It will be important to explain to all employees and managers what the process is that follows the intake of a report that rises to a high level through this protocol.

- Publicize this internal reporting protocol in new DoD employee orientation sessions, training programs, routine internal communications, and through other communication channels on a sustained basis.
- The role and function of the OIG as part of this reporting protocol should be better explained to employees. It would be helpful for employees to understand who takes and screens calls, what the follow up process is, and what feedback can and can not be expected.
- Establish or empower an existing high level committee with the task of periodically reviewing inquiries and complaints received. The goal is not only to ensure proper and prompt handling of concerns. Many concerns are multi-dimensional - starting as a personnel issue, evolving into an ethics issue, and raising policy/regulatory violation issue along the way. The committee can ensure that all dimensions of an issue are addressed, while also recommending changes in policies and/or practices as patterns emerge.
- Establish a clear stance - and, if needed, a supporting policy – prohibiting retaliation against employees for making reports. (A non-retaliation policy does not, of course, prohibit disciplining employees for improper actions that they self report. This distinction (no retaliation for reports; no “free pass” for improper actions) must be clear in related communications.) Senior leadership must clearly signal support for this non-retaliation stance and follow through by investigating and, as appropriate, disciplining individuals who engage in acts of retaliation, regardless of rank or level.

6. Regularly Communicate with Employees about Ethics Expectations

Despite the many efforts of the Department to communicate with employees about ethics issues, nearly 40% of employees feel that they do not regularly receive communications about ethics topics. This result is surprising given the strong emphasis the Department places on ethics training. Part of the explanation may be due to the terminological issue described above. Even though the training occurs and addresses key points effectively, it may be viewed more as compliance training than as ethics training by some participants.

The response to the current training was mixed when discussed in the focus groups. Some found it very helpful while others thought there was little or no new information. Higher level individuals seem to find it less useful. The interpretation of this result notwithstanding, it suggests recommendations for the strengthening the DoD ethical culture.

- Review the current content of ethics training to ensure that the content changes from year to year and includes information likely to be new to attendees, as well as reviewing agency ethics basics. Following recommendation 5 above, the role and functioning on the OIG is a potential topic.
- Offer specialized educational modules such as a module focusing on the acquisitions process and ethical issues therein. Acquisitions employees proved to be interested in the topics covered in the survey so it would be prudent to build on this interest, especially given the critical role of acquisitions related personnel in determining the ethics of the Department.

- Ethics issues should be addressed through other available communications channels with an emphasis on how ethics affects employees in different roles in the agency.
- Provide employees with feedback, if only in general or summary terms, about how reported issues have been handled and about the consequences, if any, to the reporter. Outcomes of OIG investigations and summary statistics (number and type of issues) of reports made to OIG regarding ethics or compliance issues would be interesting and, we believe, illuminating to employees. While privacy concerns would prohibit actual outcomes from being used, sharing scenarios derived from real cases will help improve the understanding of the role of the OIG in the reporting process – a concern outlined in focus groups and open comments.
- Employees have a strong mission and values orientation. This orientation suggests emphasizing these concepts in training and communications materials to provide context to the more specific guidelines and policies discussed. While rules-based training can not be replaced by training which does not address the rules, the context for the rules provided by a mission and values would likely enhance response to the training. Again, the training itself can distinguish between the legal rules that govern agency employees and the values and mission of the agency which gives meaning to the rules but also guides behavior in situations which are not clearly addressed by the rules (the gray areas) and areas in which the rules conflict or seem to conflict.³

7. Capitalize on Ethics

Establishing a strong ethical culture in an organization involves incorporating ethical considerations into all aspects of the organization's practices. Since DoD employees appear to have a good orientation towards ethics and the department's mission, an effort should be made to visibly integrate ethics and values into decision making processes, organizational systems and communications.

8. Assess Progress

Organizations periodically assess progress with respect to the things they care about. Any initiative or program that does not have an associated assessment protocol is suspect at many organizational levels. This need not take the form of an overall assessment of culture, values and so on. It may focus on specific steps planned to strengthen the ethical culture of the organization and progress with and reaction to each step as implemented. To some extent, the fact that assessment is occurring is as important as the content of that assessment. It signals that strengthening the ethical culture of the organization is not just a program or initiative but a firm and sustained commitment of the organization.

³ The training model employed by the Veteran's Health Administration over the past five years provides a useful model. The VHA transitioned from a pure compliance model to an approach that emphasizes mission and values as a foundation, with legal compliance being one key component of upholding the agency's mission and values. This has been accomplished without diminishing the coverage of key legal compliance issues. While the consultants do not have direct empirical evidence of the VHA's success with this approach, it seems to be very well received across ranks in that agency which intends to continue this approach.

REFERENCE LIST

- Arthur Andersen 2000, *Executive Branch Employee Ethics Survey 2000, Final Report*, U.S. Office of Government Ethics.
- Bart, V. & Cullen, J.B. 1987, 'A Theory and Measure of Ethical Climate in Organizations,' in *Empirical Studies of Business Ethics and Values*, ed. W.C. Frederick and L.E. Preston, JAI Press, Inc.
- Carlson, D.S. & Perrewe, P.L. 1995, 'Institutionalization of Organizational Ethics Through Transformational Leadership,' *Journal of Business Ethics*, vol.14, pp.829-838.
- Carroll, A.B. 1999, 'Ethics in Management,' in *A Companion to Business Ethics*, ed. R.E. Frederick, Blackwell Publishers, Massachusetts, U.S.A.
- Center for Business Ethics 1992, 'Instilling Ethical Values in Large Corporations,' *Journal of Business Ethics*, vol.11, pp. 863-867.
- Chen, A.Y.S., Sawyers, R.B. & Williams, P.F. 1997, 'Reinforcing Ethical Decision Making Through Corporate Culture,' *Journal of Business Ethics*, vol.16, pp.855-865.
- Delaney, J.T. & Sockell, D. 1992, 'Do Company Ethics Training Programs Make A Difference? An Empirical Analysis,' *Journal of Business Ethics*, vol.11, pp.719-727.
- Gortner, Harold, F. 1991, "Looking at the Deeper Questions: Culture and Values." *Ethics For Public Managers*, Praeger Publishers, Westport, CT, pp. 81-104.
- Gortner, Harold, F. 1991, "Research Methodology and Interview Instrument." *Ethics For Public Managers*, Praeger Publishers, Westport, CT, pp. 171-174.
- Jose, A. & Thibodeaux, M.S. 1999, 'Institutionalisation of Ethics: The Perspective of Managers,' *Journal of Business Ethics*, vol.22, pp.133-143.
- LeClair, D.T., Ferrell, O.C. & Fraedrich, J.P. 1998, *Integrity Management: A Guide to Managing Legal and Ethical Issues in the Workplace*, University of Tampa Press, Tampa, Florida.
- Mathews, M.C. 1988, *Strategic Intervention in Organizations: Resolving Ethical Dilemmas*, Sage Publications.
- McDonald, G.M. 1999, 'Business Ethics: Practical Proposals for Organizations,' *Journal of Business Ethics*, vol.19, pp.143-158.
- Minks, A.L., Small, M.W. & Chatterjee, S.R. 1999, 'Leadership and Business Ethics: Does it Matter? Implications for Management,' *Journal of Business Ethics*, vol.20, pp.327-335.
- Pastin, Mark, 1986, *The Hard Problems of Management: Gaining the Ethics Edge*, Jossey-Bass Inc.
- Pastin, Mark, 1994, 'No Ethics, No Change,' *Lessons in Cultural Change: The Utility Industry Experience*, Public Utilities Reports, Inc., pp. 335-346.
- Pastin, Mark, 1996, "Organizational Factors and Their Effect on Compliance," *Corporate Crime in America, Strengthening the "Good Citizen" Corporation*, United States Sentencing Commission, Washington, D.C., pp. 175-191 and other contributions.
- Pastin, Mark, 1996, "Study Report: Why Employees Become Whistleblowers; How Firms Can Reduce the Risk," *Prevention of Corporate Liability*, Bureau of National Affairs, Washington, D.C., pp. 10-13.
- Trevino, L.K. & Nelson, K.A. 1999, *Managing Business Ethics: Straight Talk About How to Do it Right*, 2nd edition, John Wiley and Sons Inc., New York.
- Trevino, L.K., Weaver, G.R., Gibson, D.G. & LeyToffler, B. 1999, 'Managing ethics and legal compliance: What works and what hurts,' *California Management Review*, vol.41, no.2, pp.131-151.
- Sims, R.R. 1991, 'The Institutionalization of Organizational Ethics,' *Journal of Business Ethics*, vol.10, pp.493-506.
- Weaver, G.R., Trevino, L.K. & Cochran, P.L. 1999, 'Corporate Ethics Practices in the Mid-1990's: An Empirical Study of the Fortune 1000,' *Journal of Business Ethics*, vol.18, pp.283-294.
- Weber, J. 1993, 'Institutionalizing Ethics into Business Organizations: A Model and Research Agenda,' *Business Ethics Quarterly*, vol.3, no.4, pp.419-436.
- United States Sentencing Commission 1995, *Corporate Crime in America: Strengthening the "Good Citizen" Corporation*, U.S.S.C., Washington, D.C.

APPENDIX A: THE ETHICS SURVEY

The Department of Defense may collect the information requested in this survey under the authority of 10 U.S. Code 2358, "Research and Development Projects."

The purpose of this research is to assess the strengths and weaknesses of the ethical climate within DoD. The information you provide will be used by leadership to evaluate that climate and determine if there is a need for additional training or other measures to ensure that all employees of the department – both military and civilian – are aware of, and live up to high ethical standards.

Providing information in this research is voluntary. Failure to respond to any particular question will not result in any penalty. All of your responses are anonymous. No individually identifying information will be collected.

I have read the statement above and agree to participate in this study.

I understand that my responses will be held in strict confidence.

- Click here to indicate agreement and begin the survey.

INSTRUCTION:

Select the answer that most accurately reflects your experiences as a Department of Defense (DoD) employee. There are no correct or incorrect answers.

DoD ETHICS

1. Every DoD employee, supervisor, and manager/commander is expected to observe the same standard of ethical conduct.
 - Strongly Agree
 - Agree
 - Neither Agree nor Disagree
 - Disagree
 - Strongly Disagree

2. Upholding high standards of ethical conduct is important to my ability to succeed in my current assignment.
 - Strongly Agree
 - Agree
 - Neither Agree nor Disagree
 - Disagree
 - Strongly Disagree

3. DoD often rewards managers/commanders, supervisors, or employees for doing things I regard as unethical.
 - Strongly Agree
 - Agree
 - Neither Agree nor Disagree
 - Disagree
 - Strongly Disagree

4. I would be comfortable if the public knew how we make decisions.
 - Strongly Agree
 - Agree
 - Neither Agree nor Disagree
 - Disagree
 - Strongly Disagree

Survey materials copyright 2002-2009 Council of Ethical Organizations. No duplication in whole or part without the written permission of the Council of Ethical Organizations. Used with permission by the United States Department of Defense.

5. I sometimes do things as part of my job that conflict with my personal ethics.
- Strongly Agree
 - Agree
 - Neither Agree nor Disagree
 - Disagree
 - Strongly Disagree

DoD ETHICS POLICIES AND GUIDELINES

6. If I disliked a DoD ethics policy or guideline, I would still follow the policy or guideline.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

7. When I need to act quickly, I may do what the situation requires rather than sticking to a guideline or policy.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

8. My immediate supervisor sometimes asks me to do things that violate our ethical standards, policies, or the law.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

9. I am seldom pressured to compromise ethical standards in order to meet work place goals.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

10. DoD's ethics guidelines are clear enough to resolve most of the ethical questions I face in my work.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

ETHICAL CONCERNS

11. I might be retaliated against for reporting misconduct by a manager/commander or supervisor through proper channels.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

12. If someone in my work group was accused of unethical conduct, I would be comfortable assisting DoD in investigating the matter.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Survey materials copyright 2002-2009 Council of Ethical Organizations. No duplication in whole or part without the written permission of the Council of Ethical Organizations. Used with permission by the United States Department of Defense.

13. My immediate supervisor will listen to my ethical concerns.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

14. Top management/command where I work encourages employees to raise ethical concerns.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

15. If I am uncomfortable raising an ethical issue with my supervisor, I would be comfortable raising the issue with the appropriate IG's office.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

LEADERSHIP ETHICS

16. Management/command where I work makes demands that can only be met by violating ethical standards.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Survey materials copyright 2002-2009 Council of Ethical Organizations. No duplication in whole or part without the written permission of the Council of Ethical Organizations. Used with permission by the United States Department of Defense.

17. The DoD managers/commanders to whom I report respect DoD's ethical standards.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

18. DoD's top leadership will not compromise on ethics just because the going gets tough.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

19. To the extent that I know about other federal agencies, DoD has **higher** ethical standards than the others.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

20. During the past year, I have noticed a tendency to strengthen ethical standards where I work.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Survey materials copyright 2002-2009 Council of Ethical Organizations. No duplication in whole or part without the written permission of the Council of Ethical Organizations. Used with permission by the United States Department of Defense.

DOD VALUES

I. VALUES

On the following questions, please check the **one response** you consider **most accurate**. While you may find more than one response that applies, take a moment and choose the **single** most accurate response.

21. The most important thing **on a personal level** in my day-to-day work is:
(Choose one)
- Observing ethical standards and guidelines.
 - Meeting organizational objectives.
 - Pay and promotion.
 - Upholding high standards of performance.
 - Satisfaction in doing my job.
22. For **my immediate supervisor**, the most important thing on a day-to-day basis is:
(Choose one)
- Observing ethical standards and guidelines.
 - Meeting organizational objectives.
 - Pay and promotion.
 - Upholding high standards of performance.
 - Satisfaction in doing her/his job.
23. For **senior managers/commanders** where I work, the most important thing on a day-to-day basis is: (Choose one)
- Observing ethical standards and guidelines.
 - Meeting organizational objectives.
 - Pay and promotion.
 - Upholding high standards of quality
 - Satisfaction in doing her/his job.
24. For DoD as a whole, the top priority is: (Choose one)
- Observing ethical standards and guidelines.
 - Protecting the Department's reputation.
 - Avoiding criticism.
 - Meeting the Department's objectives.

Survey materials copyright 2002-2009 Council of Ethical Organizations. No duplication in whole or part without the written permission of the Council of Ethical Organizations. Used with permission by the United States Department of Defense.

II. VALUES IN PRACTICE

Check the **one item** which you consider to be the most accurate response:

25. If I observed misconduct where I work, I would probably: (Choose one)
- Discuss the problem with my immediate supervisor.
 - Raise the problem with an authority outside of DoD.
 - Wait and see if the problem was serious enough to require action.
 - Discuss the situation with my colleagues before deciding what to do.
 - Confer with family or friends before deciding what to do.
26. If I discussed an ethical problem with my supervisor, and it still was not corrected, I would: (Choose one)
- Raise the issue with my personnel/HR representative.
 - Raise the problem with an authority outside of DoD.
 - Drop the issue unless matters became worse.
 - Contact the appropriate IG's office.
 - Avoid personal involvement in the problem.
27. The single thing most likely to improve ethical standards where I work is: (Choose one)
- Improved ethics guidelines, policies, and procedures.
 - Fairer evaluation of employees.
 - A change in higher level management or command.
 - Less pressure to meet DoD objectives.

Additional Information

28. I regularly receive information about ethics topics.
- Yes No
29. During the past year, I recall attending ethics training conducted by an ethics official, via the web, or using other computer-based method(s) (e.g. CD-ROM).
- Yes No

30. I am aware of DoD's Standards of Conduct.

- Yes No

31. Before reading this survey, I was aware of the DoD Hotline which employees can call anonymously if they have ethical concerns.

- Yes No

32. I would be afraid of retaliation if I called the DoD Hotline.

- Yes No

(Answer Question 33 only if you marked "yes" for Question 32)

33. Who would be most likely to retaliate against you? (select **one**.)

- Fellow Employee
 Personnel/HR Representative
 Manager/Commander
 Immediate Supervisor
 Other

34. I have worked within DoD:

- Less than 1 Year
 2 to 5 years
 6 to 10 years
 More than 10 Years

35. My work status is:

- Civilian Military

36. If military, I am:

- Enlisted
 Officer

Survey materials copyright 2002-2009 Council of Ethical Organizations. No duplication in whole or part without the written permission of the Council of Ethical Organizations. Used with permission by the United States Department of Defense.

37. If civilian, I am:

- GS-11 or below (or NPS equivalent)
- GS 12 or above (or NPS equivalent)

38. Is your current position acquisition related?

- Yes
- No

Please use the space below to provide any comments you may have about the topics addressed in this survey. *We urge you to not include information in written responses that could lead to the identification of yourself or any other individuals.*

APPENDIX B: FOCUS GROUP SUMMARY

The purpose of the focus group research was to enhance understanding of results obtained through administration of the survey and, specifically, to obtain the views of a sample of DoD employees on the ethical climate within the Department and factors considered critical to DoD's ethical culture. Relevant focus group results are incorporated in the main survey report. This Appendix includes a more detailed summary of the focus groups themselves.

Participation in the focus groups was voluntary with individuals contacting the Council of Ethical Organizations to enroll in one of eight identified sessions on June 22 or 23, 2010. These sessions were conducted at a DoD facility in Arlington, VA.

Prior to each session, participating individuals completed privacy statements and were provided copies of the survey form itself and instructions on the confidentiality of information shared during the focus groups. All focus groups sessions were staffed by principals of both the Council of Ethical organizations and the Human Resources Research Organization.

The following is a summary of the focus group discussions organized according to the four core survey scales (DoD Ethics, DoD Ethics Policies and Guidelines, Ethical Concerns, Leadership Ethics) as well as general discussion topics.

I. DoD ETHICS

The following statements summarize focus groups discussions relating to the extent to which employees are likely to exercise good judgment and observe professional and ethical standards in situations not clearly decided by written policy. Notes below also reflect participants' perception of ethics in their departments and across the DoD, job performance and misuse of Department funds.

- It is very difficult to remove or fire poor performing employees; thus, high-performing employees are asked to do more by managers because it is known that they will get the work done.
- Poor performers usually get promoted to new positions outside of department.
- Managers may give a poor performance review only to be overridden by a superior.
- Upper levels of management are too busy to hold lower level managers responsible for dealing with poor performers.
- Within the GS schedule, the only way to get a promotion is to leave your area of expertise to become a manager.
- DoD has higher ethical standards than most DoD contractors.
- Ethical standards are higher in the military than with civilian DoD agencies.
- It is unethical that contractors underbid projects to win the award, and then they go back to the government for more money once the project is too big to fail.

- Ethics is a Secretary objective in the Navy, therefore, supervisors take it seriously and there are ethics measures in the performance evaluation of managers. Being a part of the Secretary's objectives has changed the culture within the Navy.
- Ethics is not first on the list when things need to get done – obligations to the troops come first.
- Ethics is about personal integrity and values. Training is not going to change someone's core values.
- Some employees understand and take the “perception” of unethical behavior more seriously than others.
- The “Good Ole Boy” network is still around, but there have been improvements in the past few years especially in the hiring network.
- Sometimes positions get created at the GS-15 (pay band 5) level where you have to be in the “Good Ole Boy” network to get promoted.
- Young people enter into DoD wanting to serve their country, but get corrupted by the “Good Ole Boy” and “Thin Blue Line” mentality.
- Ethics starts at the hiring process. It is unethical to hire somebody that doesn't have the correct qualifications. When unqualified people are in positions of power, ethical breakdowns occur.
- Groupthink is bad. DoD needs more “no men” to keep things ethical and truthful. It's hard to disagree and not be a “yes man” because you will be looked down upon by your peers.
- There is no incentive not to spend annual budget, especially on travel. If you don't use it, you will lose it. One department will make an ethical decision not to unnecessarily spend travel budget, but the sentiment is that the money will get redistributed to another department who will go to a “party conference.”
- Personal use of government property has always been an ethical issue.
- It is unethical behavior to continue to outsource contracts when departments have in-house employees that are underutilized. More in-sourcing is needed.
- Contractors sometimes resist doing part of a project because it is not explicitly specified in the contract. This depletes the morale of the government workers on the project.
- In some cases, civilian employees are incentivized monetarily to deploy. Upon return, they are less able to function in their traditional roles. This hurts team cohesion and performance. However, it is sometimes looked down upon if you don't deploy and you aren't a team player. Monetary incentives and peer pressure may be an unethical way to staff deployments.

II. DOD ETHICS POLICIES & GUIDELINES

The following statements summarize discussions relating to the extent to which employees are likely to comply with stated (written) organizational policies, as distinct from professional standards and informal standards of good judgment and sound ethics. Notes below also reflect participants' perceptions of the Department's ethical expectations of employees and military members and communication of such expectations; including ethics training and education.

- Decisions are made within the limits of the law – there are no unethical laws.
- People may violate a policy or guidance, but not the law. Unfortunately, sometimes knowing where that line is can be difficult.
- With so many complicated regulations, it is not always clear what the correct decision is.
- Most ethical breaches stem from productivity pressure, understaffing and lack of competence in management positions.
- Rules become what you are told to do by a supervisor, not written policies. It's hard to admit something is wrong if the last boss and the new boss did it.
- Ethical expectations are known, but there is an imaginary line where if you don't do something too outrageous, it's tolerated.
- Ethical standards discussed in training need to be enforced.
- Many managers are promoted from technical positions and have no experience dealing with management issues.
- The ethics training in which employees currently participate is really “legal training” rather than ethics training. Training uses examples of what will send you to jail, but doesn't illustrate issues that may be unethical even if they don't send you to jail. Illegal versus Unethical needs to be encompassed in education.
- Managers need more training on how to deal with conflicts and ethical dilemmas.
- Some civilians have responsibility for writing contracts, but have no formal training in doing so. The responsibility ultimately falls back on the contracting officers, but poorly written contracts lead to poor performance, wasted taxpayer dollars and ethical problems.

III. ETHICAL CONCERNS

The following statements summarize discussions relating to the extent to which employees will raise ethics and compliance concerns through appropriate organizational channels. Discussion notes reflect participants' perceptions of retaliation, confidence in confidentiality and anonymity policy and the investigation process.

- Complaints to management are viewed as a failure by management; therefore, issues are handled in-house versus getting reported outside of the chain of command.
- There is no benefit in reporting unethical behavior or poor performers. You might lose the position and word will get around that the department is not a good place to work.
- There is the perception that reporting through the IG's office is not anonymous.
- The role of the OIG in reporting concerns is unclear.
- Unless laws are broken, the Office of Special Investigations drops the case.

- Congressional Investigations are the only investigations that bring about change.
- If you make a report, you will have a target on your back.
- When everyone reports on everyone, it destroys your team cohesion.
- Social ostracizing is the biggest reason people do not report wrongdoing. It takes a lot of courage to make a report.
- There is currently more protection for reporters than there used to be.
- False claims may be made to senior officials in high-level briefings, but the time to object is before the briefing. A consensus must be made ahead of the meeting, but it's hard to be the lone dissenter.
- There is no feedback loop giving examples of issues reported and resolved by the IG's office. This reduces confidence and creates the perception that reports are not investigated or taken seriously.
- DoD needs more transparency when it comes to reporting and enforcement.
- There are numerous ways to make anonymous reports and they are well known by employees.

IV. LEADERSHIP ETHICS

The following statements summarize discussions relating to the extent to which participants believe that the organization and its leadership are committed to high ethical standards. Notes below also reflect discussion of conflicts of interests, post-government employment, improper contractor relationships and political influence.

- The one thing that would most improve ethical standards would be a change in leadership behaviors and actions; leaders talk-the-talk, but don't walk-the-walk.
- There is a perception that senior leadership is not held to the same standards as everybody else.
- High-level leaders may speak publicly about ethics, but it doesn't get passed down through the ranks.
- Ethical issues arise at higher levels within DoD, not with local managers or supervisors.
- The Department needs leaders with more courage to deal with poor performing employees.
- Post-government employment is the biggest issue in annual ethics training, but exceptions are made for a certain level of leadership.
- Some program managers show favoritism towards "pet contractors" when they are looking for post-government employment.
- Current program managers are already negotiating post-government employment on projects where they have influence.
- There is a way through the General Counsel's Office to get a legal determination to circumvent the two-year time limit on post-government employment. When this happens, it should be publicized to lower level employees so they know everybody is playing by the same set of rules.

V. ADDITIONAL TOPICS

- Focus group participants indicated they would more likely read survey results if they came from a director or manager rather than from upper leadership.
- Knowledge of how to make good project plans was lost in the 1990s when everything was outsourced. Now, acquisitions is having to re-learn and re-train people to perform up to standards.

APPENDIX C: SUMMARY OF OPEN-ENDED COMMENTS REPORT

Notes On Open-Ended Comment Distribution and Content

The volume and level of detail of response in the “Open-Ended Comments” component of the survey was very high. Some comments included potential actionable complaints. The comments related to acquisitions were especially detailed and indicated that employees are very concerned with upholding the integrity of acquisition policies and practices. The category titled “General and Survey” included more comments than normal across a wide variety of topics. With respect to the survey itself, many comments focused on the “forced choice” items and indicated a fear of giving “the wrong answer”. A very high number of respondents were concerned with the anonymity of their survey responses. The number of comments in the “Management and Leadership” category was also exceptionally high.

INDEX OF OPEN-ENDED COMMENT CATEGORIES

1. Regulations, Policies, and Procedures

- Comments about possible violations of regulations, policies and procedures.

2. Reporting

- Comments about reporting of ethical concerns and retaliation related to reporting of ethical concerns.

3. Management and Leadership

- Comments about management, supervisors, and leadership including unprofessional behavior, lack of skills, and improper treatment of employees. Concerns about retaliation, confidentiality issues, dual standards, and senior management.

4. Employment Relations and Discrimination

- Comments about discrimination, reverse discrimination, racism, favoritism, nepotism, ageism, sexism, and promotion, termination, and performance appraisal practices.

5. Human Resources Issues – Other

- Comments about the human resource issues generally regarding policies, confidentiality, and employee support.

6. Ethics Training

- Comments about ethics training.

7. Acquisitions

- a. Comments about Improper Political Influence
- b. Comments about Post-Government Employment
- c. Comments about Improper Relationships with Contractors/Vendors
- d. Comments about Variance from Acquisition Standards (policies, payment, etc.)

8. General

- a. Comments about survey-related items
- b. Comments about a positive work or ethical environment
- c. Comments about political or legislative issues
- d. Comments about general topics
- e. Comments about biased or unequal standards in the workplace
- f. Comments about the affects of workplace pressure

Note that all responses are direct entries from the on-line survey form; no spelling corrections have been made. Only information that could potentially identify individuals was removed.

Comments may include discussion of more than one of the above listed categories and were indexed according to the main subject of the comment.

TABLE A-1: FREQUENCY AND PERCENT OF CODES ASSIGNED

Code	Category	# of Comments	% of Comments
1.	Regulations, Policies, and Procedures	328	3.43
2.	Reporting	777	8.13
3	Management and Leadership	1,340	14.02
4.	Employment Relations and Discrimination	1,053	11.01
5.	Human Resources Issues	99	1.04
6.	Ethics Training	543	5.68
7.	Acquisitions	642	6.71
<i>7 a.</i>	<i>Improper Political Influence</i>	<i>39</i>	<i>0.41</i>
<i>7 b.</i>	<i>Post-Government Employment</i>	<i>117</i>	<i>1.22</i>
<i>7 c.</i>	<i>Improper Relations with Contractors / Vendors</i>	<i>75</i>	<i>0.78</i>
<i>7 d.</i>	<i>Variance from Acquisition Standards (policies, payment, etc.)</i>	<i>411</i>	<i>4.30</i>
8.	General	4,779	49.98
<i>8 a.</i>	<i>Survey-related</i>	<i>1,716</i>	<i>17.95</i>
<i>8 b.</i>	<i>Positive</i>	<i>900</i>	<i>9.41</i>
<i>8 c.</i>	<i>Political and Legislative</i>	<i>202</i>	<i>2.11</i>
<i>8 d.</i>	<i>General</i>	<i>1545</i>	<i>16.16</i>
<i>8 e.</i>	<i>Biased or Unequal Standards</i>	<i>112</i>	<i>1.17</i>
<i>8 f.</i>	<i>Workplace Pressure</i>	<i>304</i>	<i>3.18</i>
	Total	9,561	100.00

TABLE A-2: COMMENT CODES, CATEGORIES, AND SAMPLE COMMENTS

Code	Category Description	Sample Comment
1.	Regulations, Policies, and Procedures	“Right now, many DoD Policies and Regulations are being ignored due to the lack of financial resources, although requirements and objectives did not change.”
2.	Reporting	“Reports to the IG about unethical and illegal activity in my command, by both myself and others, has been resoundingly ignored.”
3.	Management and Leadership	“Upper management lacks any ethics other than those related to position and pay. Their sole objective is to exert power to obtain promotion.”
4.	Employment Relations and Discrimination	“The ethical violation I witness most here is sexism. Women are often given busy work while men get to choose their work.”
5.	Human Resources Issues	“DOD HR policies favor college education over experience and ethical behavior.”
6.	Ethics Training	“I think we need formal ethics training on a regular basis.”
7.	Acquisitions	
7a.	<i>Improper Political Influence</i>	“Main issues that bug me, are congressionally directed programs where we get pushed into using a vendor that might not provide the best value for the government”
7b.	<i>Post-Government Employment</i>	“There is a blatant lack of enforcement of ethics violations for former government employees that retire and move to the private defense contractor sector on acquisitions that they were involved with and/or influenced while they were government employees.”
7c.	<i>Improper Relations with Contractors / Vendors</i>	“The most significant compromise in ethics I have witnessed is biasing acquisition decisions through inappropriate contractor relationships at the highest level of the Systems Command.”
7d.	<i>Variance from Acquisition Standards</i>	“Commanders and program managers are rewarded for not raising issues and hiding the fact that there are problems in the acquisition programs they run.”
8.	General	
8a.	<i>Survey-related</i>	“Question #25; I'd be cautious because accusing someone of misconduct would be taken seriously and I would need to be sure.”
8b.	<i>Positive</i>	“I enjoy my work and feel very satisfied with it. I believe ethical principles are upheld by most employees within my Command.”
8c.	<i>Political and Legislative</i>	“Congressional leaders need to have the same standards as the rest of the federal government.”
8d.	<i>General</i>	“I grew up in an environment where standards were pretty simple: 'I don't lie, cheat, or steal, or tolerate those who do.'”
8e.	<i>Biased or Unequal Standards</i>	“It seems that higher up the management level you go, the fewer requirements are needed or enforced.”
8f.	<i>Workplace Pressure</i>	“Ethics are still followed well but sometimes we are overwhelmed with having to do so much with less workers.”

The full text of the open-ended comments can be found in Appendix C (separate document).