Executive Branch Employee Ethics Survey 2000

Final Report

Report prepared by Arthur Andersen for
the U.S. Office of Government Ethics

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LIST OF EXHIBITS

EXECUTIVE SUMMARY

The United States Office of Government Ethics (OGE) is the federal agency responsible for providing overall policy leadership for executive branch agencies in the conduct of their employee ethics programs. OGE's duties include developing rules and regulations pertaining to conflicts of interest and related misconduct, post-employment restrictions, financial disclosure responsibilities, and ethics training and education.

The executive branch ethics program consists of the policies and direction provided by OGE as implemented by the various executive branch agencies. Each executive branch agency operates its own ethics program, which is managed by a Designated Agency Ethics Official (DAEO). By interpreting standards of conduct regulations, reviewing financial disclosure statements, and offering continuing ethics training and counseling service, DAEOs and their supporting ethics officials ensure that agency employees avoid situations that could involve violations of ethics laws and undermine the public's trust in Government.

Purpose

In September 1999, OGE engaged Arthur Andersen, a global professional services firm, to conduct a mail-based ethics survey. The study was called the *Executive Branch Employee Ethics Survey 2000* (the study). The study had two primary purposes:

1. To assess the effectiveness of the executive branch ethics program.
2. To assess executive branch ethical culture from the employees' perspective.

For this study, the term "ethics" was defined as pertaining only to matters within OGE's jurisdiction. For example, the term "unethical conduct" referred to conflicts of interest and related conduct as addressed in the Standards of Ethical Conduct for Employees of the Executive Branch and the criminal conflict of interest statutes.

The study did not address sexual harassment, inappropriate behavior and language, lying or misrepresentation, and alcohol or drug abuse. These types of conduct are dealt with through the work of other Government entities.

The term "ethical culture" means the climate and environment of the executive branch that supports employee conduct responsive to executive branch ethical standards.

Background

The OGE survey is based on the IntraSight$_{SM}$ Assessment, a statistically reliable and valid assessment tool developed by a team of Arthur Andersen and academic researchers in the fields of business ethics and organizational behavior. The IntraSight$_{SM}$ Assessment examines the impact of an organization's ethics program by assessing employees' perceptions of observed unethical or illegal behaviors and several desirable outcomes of ethics efforts. IntraSight$_{SM}$ examines program elements and cultural factors that, in the original study, had the greatest relationship with desirable outcomes. By providing a measure of outcomes and a measure of the related factors, IntraSight$_{SM}$ provides direction for improving outcomes by addressing the factors most highly related to desired outcomes.

The survey, while customized to the policies and ethics program components of the executive branch of the U.S. Government, used measures, tested for reliability, and analyses that were similar to the original IntraSight_{SM} research.

Methodology

The following provides a brief description of the methodology for the study.

Sample

The survey was distributed to a random sample of 7,291 employees from 22 executive branch departments and agencies. The sample was stratified to allow valid comparisons between (1) employees with different financial disclosure reporting responsibilities (financial disclosure reporting is based on employees' job responsibilities), and (2) employees in the Washington, D.C. area and those outside it.

A total of 2,704 responses were received, for a 37% response rate. This response rate is considered good for a mail survey, and was sufficient for results to be generalizable to the overall executive branch employee population and to employees with different financial disclosure reporting responsibilities (i.e., Public Filers, Confidential Filers, and non-Filers). Results were also sufficient to generalize to employees both within and outside the Washington, D.C. area.

Measures

There were four primary measures used in this study—Program Awareness, Program Effectiveness, Culture Factors, and Culture Outcomes. Each measure is described briefly below.

The *Program Awareness* measure assessed:

- Familiarity with the ethics program,
- Familiarity with the Rules of Ethical Conduct,
- Awareness of ethics officials in the agency, and
- Perceived objectives of the ethics program.

Program Awareness is an important measure because one of the primary program objectives is to promote awareness of ethics issues and to encourage employees to seek advice when faced with ethical dilemmas.

The *Program Effectiveness* measure assessed:

- The usefulness of the Rules of Ethical Conduct in guiding decisions and conduct,
- The helpfulness of resources consulted when ethics issues arise,
- Reasons for not seeking advice and, if advice was sought, for not seeking advice from ethics officials,
- The frequency with which employees received ethics training, and
- The usefulness of training in making employees aware of ethics issues and in guiding decisions and conduct.

This measure provides an overall assessment of the value perceived by employees with respect to the Government ethics program.

Measuring *Culture Factors* and *Culture Outcomes* assessed ethical culture. These measures were consistent with the IntraSight$_{SM}$ Assessment and provided a strong foundation for examining the executive branch ethical culture.

There were ten *culture factors* that assessed employees' perceptions that in their organizational culture:

- Supervisors pay attention to ethics,
- Executive Leadership pays attention to ethics,
- There is consistency between ethics policies and agency practices,
- Open discussion about ethics issues are encouraged and occur,
- Ethical behavior is rewarded,
- Unethical behavior is punished,
- There is follow-up on reports of ethics concerns,
- Efforts are made to detect violators,
- Unquestioning obedience to authority is expected, and
- Employees are treated fairly.

These factors were based on past research, which has shown them to be related, either positively or negatively, to six *culture outcomes*. These culture outcomes assessed employees' perceptions regarding the extent to which:

- Unethical behavior occurs in their agency,
- Employees are aware of ethical issues when they arise,
- Employees seek advice when needed,
- It is OK for employees to deliver bad news,
- Violations are reported by employees when they occur, and
- Discussions about ethics are integrated in decision-making processes.

Together, the four measures—Program Awareness, Program Effectiveness, Culture Factors, and Culture Outcomes—provide a means for examining the relationships between elements of the ethics program, the organizational culture, and outcomes. Exploring these relationships provides the basis for targeting program improvement towards those areas with the strongest links to outcomes.

Demographic Variables

There were three key employee demographic variables on which the primary measures were analyzed. The three variables were:

1. Financial disclosure filing status,
2. Work location within or outside the Washington, D.C. area, and
3. Supervisory status.

Although ethics resources are available to all executive branch employees, they are targeted to those employees with financial disclosure reporting obligations. Filers are generally higher-level employees with greater responsibility for Government policy and operations than non-filers. As such, they are more likely to find themselves in situations presenting conflicts of interests. By virtue of their positions, they are also more likely than non-filers to set the tone for their agencies. For these reasons, training resources are targeted to these individuals. The differences between filers and non-filers on primary measures were analyzed to assure that resources are being spent effectively.

Results in Brief

The following summarizes the key results and recommendations from the Executive Branch Employee Ethics Survey 2000.

There is a clear relationship between employee filing status and perception of an ethical culture

Financial disclosure report filers tend to have a more positive perception of their agency ethical culture than do non-filers. Public filers are significantly more positive in their view than are confidential filers, while confidential filers are more positive than are non-filers and people who do not know their filing status. Similarly, supervisors have a more positive perception of their agency ethical culture than do non-supervisors.

These patterns of results were consistent across the study and are reflected in nearly every finding. Conversely, few differences were found when comparing employees in the Washington, D.C. area with those in other work locations.

Measure 1: Program Awareness

Program awareness and understanding are high

The vast majority of survey respondents indicated that they were aware of the executive branch ethics program and that they understood its objectives. This is a positive result. However, this result is tempered by the fact that there were employees the program did not reach who could have benefited from its resources. Approximately 12% of employees, or the equivalent of approximately 140,000 individuals, comprise this group. This group is made up of individuals who indicated that they had ethics issues during the past five years and sought advice, but did not seek advice from ethics officials because they were not aware that the officials existed. Other employees did not seek advice at all because they didn't know whom to ask. While 100% awareness may never be achievable, the Government may wish to consider exploring ways to expand communication to employees regarding the ethics program and resources to ensure that fewer employees have needs that are not addressed.

Survey findings also confirm that executive branch employees are moderately familiar with program objectives, generally, and most familiar with program objectives involving education and prevention of ethics policy violations. This finding is strongly positive since these two objectives are key goals of the executive branch ethics program.

Awareness and understanding of the program are significantly higher for financial disclosure report filers than for non-filers. This is an important result, given that the job responsibilities of filers are more demanding, their activities are more visible, and their experience with ethics training and other program resources is more extensive. Supervisors also indicated a higher level of program awareness than did non-supervisors, which is consistent with the knowledge that many supervisors are required to file financial disclosure reports because of their job responsibilities.

Measure 2: Program Effectiveness

Executive branch employees are willing to seek advice for ethics concerns

Survey results show that in the past five years, nearly one-fourth of all respondents reported seeking ethics-related advice. Their reported level of inquiries to agency ethics officials and other advisors

demonstrates the importance of these resources. Employees who are required to file financial disclosure reports are also more likely to seek advice.

Most respondents who seek ethics-related advice consult their agency ethics official, and ethics officials were seen as more helpful than other resources that were consulted. Again, financial disclosure report filers were more likely to seek advice from an agency ethics official than were employees who were not required to file. Supervisors were also more likely to seek advice from an agency ethics official than were non-supervisors.

Frequency of training is related to the perception of a positive ethical culture

Survey results show that the frequency of ethics training is directly related to employees' positive perception of an ethical culture and ethical employee behavior in their agencies. In other words, employees receiving more frequent training perceive a more ethical culture than do those receiving less training. Employees who received training once a year or more during the past five years had significantly more positive perceptions of an ethical culture and employee behavior than did those receiving training less frequently. This finding is important because it suggests that receiving training contributes to the perception that the executive branch is "ethical."

Results from the open-ended responses support this finding that training is important. Training and education were cited most frequently as factors that assist employees to act ethically. Similarly, a frequently cited barrier to complying with ethics policies is lack of training, knowledge, or education.

Training methods vary; in-person instructor-led lecture or discussion is perceived as most effective

Ethics program training is provided in various ways, including in-person instructor-led lecture or discussion, videotape, direct communications, reference materials, computer-based training, and teleconferences or satellite broadcasts. Sixty-one percent (61%) of all executive branch employees received training via more than one of these methods during the past five years.

Overall, 56% of all survey respondents indicated they received training through in-person instructor-led lecture or discussion during the past five years. This training method was also rated the most effective type of training. Videotape training was the second most frequent type of training reported (46%) by employees. Significantly fewer employees reported receiving computer-based (13%), or teleconference or satellite broadcast training (10%).

Measure 3: Culture Factors

Employees perceive agency ethical culture as neither strongly positive nor strongly negative

Employees' ratings of culture factors were grouped around the midpoints of the five-point rating scales. These results indicate that employees have neither strong positive nor strong negative perceptions of their agencies' ethical culture. As noted later in this report, the highest-rated culture factors were "Ethical behavior is rewarded," "There is follow-up on reports of ethics concerns," and "Unethical behavior is punished." Culture factors with the lowest ratings were "Open discussions about ethics are encouraged and occur," "Employees are treated fairly," and "Efforts are made to detect violators."

Overall, these results present a basically good picture of executive branch agency ethical culture. In IntraSight$_{sm}$ studies in the private sector, the perception that ethical behavior is rewarded and that reports are followed up were factors highly related to desirable outcomes. Both factors suggest

employees perceive a genuine concern in their organization with a prevention-focused, positive culture.

Executive branch agencies support training with follow-through actions

The three highest-rated culture factors—Ethical Behavior Rewarded, Follow-Up on Reports of Ethics Concerns, and Unethical Behavior Punished—represent an important finding. These results show that employees perceive a commitment to ethics within their agencies—which may be manifested by leadership support for ethics training. This is in contrast to the findings in past research that indicate that for many organizations, training programs are seen as simply one way to satisfy a compliance checklist.

There is a perception of inconsistency between policies and practices

Though not the lowest-rated factor, one area where survey findings were less positive than desired was the finding that employees perceive a gap between what ethics policies and standards say and the way those policies and standards are enacted in day-to-day activity. It is important to note that in past research, consistency between policies and practices was the factor most highly related to desirable outcomes, suggesting that if employees do not believe their organizations "walk the talk," it will be difficult for an ethics program to achieve desired outcomes.

Measure 4: Culture Outcomes

Employees have favorable perceptions of some outcomes and neutral or negative perceptions of others

Employee perceptions of culture outcomes were favorable with respect to awareness of ethics issues, the occurrence of unethical behavior, and the extent to which employees report ethics violations. Perception was neutral with regards to whether employees seek advice when ethics issues arise. Employees did not perceive that it was OK to deliver bad news or that ethics were integrated into decision-making.

Awareness when issues arise is perceived as the most positive culture outcome

The study results indicated that employees have positive perceptions regarding awareness of ethics issues when they arise. This finding is consistent with the high level of awareness about the program reported by employees. This finding is significant because awareness of ethics issues is one of the primary objectives of the Government ethics program. As with other results, filers reported a more positive perception of this outcome than did non-filers; supervisors reported a more positive perception than did non-supervisors.

Unethical behavior, as defined by the survey, is perceived by employees as infrequent

Overall, employees perceive the frequency of unethical behaviors within their agencies to be relatively low. Among the specific behaviors examined, employees perceived that misuse of Government time or resources occurred most frequently. Conversely, it was perceived that employees accepting payment for doing their Government jobs from people outside the Government rarely occurred. Financial disclosure report filers and supervisors have the most positive perceptions, indicating a lower perception that unethical behavior occurs.

<u>Culture Factors and Outcomes</u>

Ethical culture factors and outcomes are related

The study findings show that relationships exist between the ethical culture factors and outcomes. Seeking advice, integrating ethics in decision-making, and perceiving that it is OK to deliver bad news were the outcomes with the strongest relationships to culture factors.

These are positive results because the first two outcomes are specific objectives of the Government ethics program. These relationships suggest that to enhance these outcomes, attention and remedy should be directed to the most strongly related factors—supervisory and executive leadership attention to ethics, consistency between policies and practices, open discussions about ethics, and follow-up on reports of ethics concerns.

Supervisors play a critical role in promoting and maintaining an ethical culture

Survey results indicate that strong relationships exist between supervisory leadership attention to ethics and program outcomes. This result is supported by the prior research on which the survey is based. The Government may want to consider revising the current practice in which frequency of ethics training is determined by filing status. A revised practice could target frequency of training based on employees' supervisory responsibility. The research also suggests that training should assist supervisors in talking openly about ethics in the workplace, encouraging employees to deliver bad news when needed, and to help employees integrate ethics into decision-making processes.

Executive leadership is also important in supporting an ethical culture

While it is a truism that ethics begins at the top, Survey results confirm that executive leadership attention to ethics is related to several desired outcomes. (Prior research supports this finding.) The only program factor with a stronger relationship to outcomes is supervisory attention to ethics. If leaders do not actively promote and visibly endorse ethics programs and ethical behavior, then desired outcomes will be difficult to achieve.

Program awareness and usefulness are related to outcomes

The study findings show that significant relationships exist between program awareness (i.e., familiarity with the ethics program and the Rules of Ethical Conduct), program usefulness (i.e., in making employees more aware of issues, and in guiding decisions and conduct), and ethics outcomes. Employees seeking advice and integrating ethics in decision-making are outcomes with the strongest relationships to program elements.

Executive Summary Conclusion

The Executive Branch Employee Survey 2000 has provided important, positive evidence of the effectiveness of the executive branch ethics program, and of a basically ethical culture within executive branch agencies. However, the U.S. Office of Government Ethics and agencies should not rest on their accomplishments. It should continue to refine its program, with added attention to supervisory leadership and enhanced communication efforts.

BACKGROUND

The U.S. Office of Government Ethics (OGE) issued a Request for Quotation (RFQ) in August 1999 to develop and conduct a mail-based survey to examine the ethics program and executive branch ethical culture. Arthur Andersen LLP, a global professional services firm, was engaged in September 1999 to conduct the study. The following provides an overview of the study purpose and policy relevance as articulated in the RFQ, Arthur Andersen's proposal, and through subsequent work with OGE's survey task force.

Purpose of the Study

There were two specific purposes of the study:

1. To assess the effectiveness of the executive branch ethics program, and
2. To assess the executive branch ethical culture from the employee perspective.

For the purposes of this study, the term "ethics" was narrowly defined to mean employee conduct within OGE's jurisdiction, not as the term might be generally understood. The term, "unethical conduct," for example, was understood to encompass only the types of misconduct addressed in the Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. part 2635, subparts B-H, and the criminal conflict of interest statutes, 18 U.S.C. 203, 205, 207-209.

Examples of conduct not addressed by this study include sexual harassment, inappropriate behavior and language, lying or misrepresentation, and alcohol or drug abuse. OGE does not have responsibility for addressing these types of misconduct.

Based on the study purpose, key research questions were articulated as follows:

- What level of awareness do employees have regarding agency ethics programs and program resources?
- What are employee perceptions of agency ethics programs and program resources?
- Are employees aware of and willing to use available support and reporting mechanisms?
- What is the perceived availability and usefulness of ethics training?
- Is the frequency and type of training received appropriate in relation to financial disclosure report filing status?
- What are employee perceptions of executive branch ethical culture?
- What are employee perceptions regarding the occurrence of specific types of unethical conduct covered by the Standards of Ethical Conduct for Employees of the Executive Branch or the criminal conflict of interest statutes?
- How are ethical culture factors related to ethical outcome measures?
- How are program elements related to ethical outcome measures?
- What differences exist in perception of program effectiveness and ethical culture between employees with different financial disclosure responsibilities?
- What differences exist in perception of program effectiveness and ethical culture between employees working in the Washington, D.C. area versus those in other parts of the U.S.?
- What differences exist in perception of program effectiveness and ethical culture between supervisors and non-supervisors?

- What differences exist in perception of program effectiveness and ethical culture between employees with different Government employment tenure?

Measures were constructed to answer these research questions. These measures are discussed in more detail in the Methodology section of this report.

Policy Relevance

OGE is the Federal agency responsible for providing overall policy leadership for executive branch agencies in the conduct of their employee ethics programs (RFQ, p 5). OGE's duties include developing rules and regulations pertaining to conflicts of interest and related misconduct, post-employment restrictions, financial disclosure responsibilities and ethics training and education. Each executive branch agency operates its own ethics program, which is led by a Designated Agency Ethics Official (DAEO). By interpreting standards of conduct regulations, reviewing financial disclosure statements, and offering continuing ethics training and education, DAEOs and their supporting ethics officials help ensure that agency employees avoid situations that could place them at risk of violating Government laws and regulations. Overall, a critical objective of the ethics program is to prevent conflicts of interest and misconduct that undermine the public's trust in Government.

This study has important implications for helping OGE improve the executive branch ethics program. Simply put, the public's expectation is that taxpayer dollars be used for effective programs and for improving and building on successful initiatives. The first study purpose, to assess the effectiveness of the ethics program, is directly keyed to this objective. The study was designed to identify program elements that were critical for promoting desired ethical outcomes, as defined by the measures in this study. Similarly, the study was designed to identify program elements that were less important for achieving desired goals. This analysis would allow OGE to target scarce public resources toward critical program elements in order to maximize the program impact.

Specifically, the study was designed to allow OGE to make specific decisions regarding the following key program areas:

1. Development and offering of ethics training for executive branch employees. Study questions addressed the frequency of training and employee perceptions of the effectiveness of different types of training. Based on these results, decisions could be made about how to allocate and target training resources.

2. Communication regarding the purpose, goals, and objectives of the ethics program. Awareness of the goals and objectives of the program was also addressed in the study. Based on these results, the need for new or different types of communications to increase awareness could be determined. In addition, awareness of available resources to answer ethics questions was assessed. At a minimum, a preferred outcome is to encourage employees to seek advice when they have questions, rather than "go it alone." Decisions about the allocation of resources toward these ends could be made based on the study results.

3. Helping employees avoid at-risk situations. This is the overarching objective of the program. Training and communication are believed to increase awareness, which alone can help employees recognize and avoid situations that may place them at risk of violating ethics standards. Decisions on the level of additional support needed, as well as documenting the current level of need, have implications for future programming.

The survey was also designed to assess employee perception of ethical culture in the executive branch. Given that this was the first such survey undertaken by OGE, the results serve as a benchmark against which change can be measured. Biannual administration of this, or a similar,

survey can help OGE assess its progress in helping agencies create the positive ethical culture that helps maintain the public's trust in Government.

Lastly, a decision was made to not attempt agency-level analysis so as not to evaluate individual agency culture or programs at this time. The purpose of this first study was not to rank or compare agencies, but rather to inform the entire executive branch regarding the overall awareness and perceived effectiveness of the executive branch program. A desired result is that all agencies and departments will work to improve their ethics programs based on information provided by this study. As a result, the executive branch ethical culture will be enhanced, further contributing to the public trust in Government.

METHODOLOGY

This section describes the methodology used to implement this project. The methodology involved several key phases:

1. Survey Development
2. Sampling
3. Data Collection
4. Data Processing and Analysis
5. Reporting

Throughout the study, Arthur Andersen was attentive to best practices and generally accepted research practices. Our objective was to ensure the highest-quality results balanced with the realities of time and budget. We believe that our methodology was sound, and is replicable and defensible. Additional detail regarding specific elements of the methodology can be found in Appendices I and II to this report.

Survey Development

The Executive Branch Employee Ethics Survey 2000 was developed to address the key research questions above. Though this was a custom survey instrument, portions of the survey were based on an existing assessment tool called the IntraSight$_{SM}$ Assessment. IntraSight$_{SM}$ was developed by Arthur Andersen and a team of academic researchers in the fields of business ethics and organizational behavior to measure ethical culture in private sector corporations. The development of this tool is described below in the *California Management Review* article that presented the original research:

> In designing the survey, we first had to identify meaningful outcomes of ethics/compliance programs. Second, we wanted to understand how different approaches to ethics/compliance management would affect these outcomes. For example, a program can punish rules violators after the fact or it can focus on prevention. Programs can emphasize deterrence of illegal conduct or encouragement of ethical conduct.

To a large degree, this study attempted to duplicate the original private sector research within a Government context. Though this effort was not intended as a comparative study, previous research was used as a starting point for constructing a set of measures (i.e., the survey instrument) that would be relevant and meaningful within the Federal Government context.

Measures

Four primary measures were created to address the key research questions. They are:

1. Program Awareness
2. Program Effectiveness
3. Culture Factors
4. Culture Outcomes

These measures were grouped into three survey sections—Part A addressed the first two measures, Part B addressed Culture Factors, and Part C addressed Culture Outcomes. In addition, Part D of the survey contained two open-ended questions addressing barriers and enablers to compliance with standards of ethical conduct; Part E contained demographic items. The final survey document is contained in Appendix I.

Measure I: Program Awareness

This measure addressed familiarity with the ethics program (QA1), familiarity with the Rules of Ethical Conduct (QA3), and awareness of the presence of officials in each agency who are responsible for providing employees with advice on ethical issues (QA5). This measure is directly keyed to a primary OGE responsibility—to raise awareness about ethical issues and foster communication regarding the availability of agency-based ethics resources.

In addition, the degree to which employees believed that a series of statements were objectives of their agencies' ethics programs was assessed (QA2a-g). Some program objectives are more significant (e.g., to educate employees), while others are less significant (e.g., to discipline/prosecute violators). These items were designed to examine the degree to which employees understood program objectives.

A potential influence in these responses was the introductory material provided in the survey booklet. This material defined the ethics program and described the types of behavior and conduct covered by the program. It is possible that this information increased understanding of the ethics program for those who read the introductory material.

Measure 2: Program Effectiveness

The usefulness of the Rules of Ethical Conduct in guiding decisions and conduct (QA4) and the helpfulness of resources consulted when ethics issues arise (QA7, 8) were addressed by this measure. A qualifying question (QA6) asked if an employee had sought advice for an ethics-related concern in the past five years to differentiate between employees who had sought advice for ethics issues and those who had not during this time period. Additionally, the measure differentiated between the usefulness of the advice provided by ethics officials and the usefulness of advice provided by other resources that might have been consulted (QA8). This provided an assessment of the difference between the perceived usefulness of advice provided by ethics officials versus that provided by other parties.

The value to OGE of this analysis was to determine if in fact ethics officials were performing their responsibilities better than a "layman." Lastly, reasons for not seeking advice from ethics officials (QA9) or not seeking advice at all (QA10) were assessed.

Training is a key component of the ethics program. As a result, the effectiveness measure also assessed the usefulness and effectiveness of training received by executive branch employees. First, the frequency of ethics training was assessed (QA11). This question was important because the program has established training requirements based on an employee's financial disclosure

responsibilities—public and confidential filers are required to receive training annually; all employees are required to receive training during their new employee orientation.

For those who received some training, the usefulness of the training in making employees aware of ethics issues (QA12a) and in guiding decisions and conduct (QA12b) was assessed.

Lastly, the effectiveness of several types of training was assessed. It should be understood that "training" is broadly defined within the context of the program. Training can encompass traditional classroom learning, computer-based self-study, review of standard reference materials, or review of direct agency communications, such as newsletters and memos. For each type of training, the survey assessed whether an employee received training via that method and the perceived effectiveness of the training (QA13a-g).

Measure 3: Culture Factors

Culture factors are characteristics of an organization that guide employee thought and action. For example, employees' perception that ethical concerns are discussed openly in their organization is a cultural factor; likewise their perceptions that, in their organization, actions are consistent with policies is a cultural factor. Research suggests that these characteristics are related to employee behaviors—what are called "culture outcomes" in this study. The factor, "Open discussion about ethics," for example, would be expected to be related to outcomes like ethics being integrated into decision making and decreased unethical behavior.

Assessments of culture factors are based on employee perception and may tell a different story than more objective measurement. However, it is generally accepted that perception of behavior defines culture. It should also be noted that the culture factors are not keyed to specific components of an organization's ethics program (e.g., training requirements, reporting mechanisms). Rather, they represent an assessment of the broader ethical environment in an organization.

For this study, ten culture factors were adapted from the IntraSight$_{SM}$ Assessment. Each factor was assessed using one or two survey questions. Where more than one question was used to assess a factor, the set of questions is referred to as a "scale." Each survey question asked for agreement with a statement based on an employee's experiences, opinions, or perceptions. Several survey questions were stated in the negative to improve the reliability (consistency) of each scale. The following is a list of culture factors:

Employee perceptions of:

1. Supervisory leadership attention to ethics
2. Executive leadership attention to ethics
3. Consistency between policy and practice
4. Open discussion about ethics
5. Ethical behavior rewarded
6. Follow-up on reports of ethics concerns
7. Efforts to detect violators
8. Unethical behavior punished
9. Unquestioning obedience to authority
10. Fair treatment

Each factor is discussed below. Where applicable, the scale reliability is reported. Reliability evaluates consistency across the questions that comprise a scale. Reliability is reported on a range of –1 to +1. Scale reliabilities of .70 or greater are considered sufficient to establish the consistency of the set of questions.

Supervisory leadership attention to ethics. Leaders at every level serve as role models for employees. In many organizations employees have the most direct contact with, and are most likely to adopt behaviors that are modeled by, their direct supervisor. The importance of this factor is the hypothesis that supervisory attention to ethics is strongly related to culture outcomes. The questions comprising this scale assess supervisor inclusion of discussions of ethics (QB1) and the level of attention paid by supervisors to ethics (QB10). The reliability of this scale was .69. (Note that this is below the .70 threshold stated above. However, the small difference and the performance of this scale in past research provided confidence that the scale was reliable for this study.)

Executive leadership attention to ethics. Whereas supervisors have the most direct interaction with employees, executive leadership sets the tone for an organization's ethical culture. The IntraSight$_{SM}$ research indicated that "to achieve results, the CEO and those around the CEO need to be openly and strongly committed to ethical conduct, and give constant leadership in promoting the values of the organization" (The Business Roundtable, p4). In the Government context, executive leadership is seen as important, especially given the public attention placed on these officials, many of whom are appointed to their positions. This factor was assessed by two questions—the degree to which leaders care about getting the job done versus complying with ethics (QB3) and the degree to which leaders demonstrate that they care about ethics (QB7). The reliability of this scale was .73.

Consistency between policy and practice. The IntraSight$_{SM}$ described this factor as an element of program follow-through. This study treated this factor as a culture factor, which deviated from the original research. The rationale for its inclusion, though, was clear. Employees need to perceive that policies are not just "window dressing" and that the organization follows words with actions (Toffler, 1990). The questions comprising this scale were the perception that the agency "practices what it preaches" (QB4) and that there is consistency between ethics rules and agency practices (QB14). The reliability of this scale was .86.

Open discussion about ethics. A positive ethical culture is supported by open discussions about ethics issues. This factor was included as it is directly related to ethics program objectives from the perspective that awareness, seeking advice, and considering ethics issues in decisions and conduct are important considerations in the Government context. The questions assessing this factor assessed the level of comfort employees had in discussing ethics (QB5) and the perception that employees openly discuss the ethics of their decisions and actions (QB13). The reliability of this scale was .77.

Ethical behavior rewarded and Unethical behavior punished. These factors were each assessed by a single survey question. The IntraSight$_{SM}$ research showed that positive outcomes were related more highly to the perception that ethical behavior was rewarded than to the perception that unethical behavior was punished. This is consistent with the preventative or proactive nature of ethics programs—emphasis on the creation of a positive environment rather than enforcement and punishment of employees for violations. It is also significant that neither factor represents a specific goal of the Government ethics program. The factors were retained in the survey, however, to maintain consistency between the original research and the Government study. The question assessing rewarding ethical behavior asked for agreement that an employee could ignore ethics and still get ahead in his/her agency (QB6). Punishing unethical behavior was assessed by asking for agreement on whether employees caught violating policies would in fact be disciplined (QB12). Reliability for these scales was not calculated because each factor contained a single question.

Follow-up on reports of ethics concerns. Along with consistency between policy and practice, this scale was included as a program follow-through factor in the original IntraSight$_{SM}$ research. Again, the premise is that if an ethics program is in place with stated rules and objectives, it is important for the organization to follow up when employees report concerns. Without this follow-through, employees will perceive that the program, rules and regulations are simply for show and hold no substance. As a result, positive ethical culture is diminished. The questions used to assess this factor asked for employees' perception that the agency follows up on ethical concerns reported by

employees (QB2) and that action is taken to resolve issues that are reported by employees (QB9). The reliability of this scale was .87.

Efforts to detect violators. This is the third element of program follow-through described in the IntraSight_{SM} research. Again, this is not a primary goal or objective of the Government program but the factor was retained to encourage consistency between the private and public sector research. Similarly, the culture factors are designed to assess perception and context related to the work environment or organization as a whole. One item was used to assess the perception that agencies make a serious effort to detect violations of ethical standards (QB11). Reliability for this scale was not computed because the scale contains a single item.

Unquestioning obedience to authority. The IntraSight_{SM} research proposed that "an ethical organizational culture must emphasize each individual's accountability and responsibility for his or her own actions and an obligation to question authority when something seems wrong." The rationale for inclusion of this factor is to directly assess the perception that employees can question authority or whether they simply follow orders. This factor was assessed by a single question that asked for employees' perceptions that they are expected to do as they are told, no matter what (QB15).

Fair treatment. The fair treatment factor is designed to assess the general perception that employees are treated fairly in all areas of the workplace—not just with respect to ethical issues. Areas where fair treatment applies might include hiring and promotion decisions, work assignments, and other non-ethics-related issues. In the Government context, however, we were more concerned with the degree to which rules and expectations were evenly applied across all levels of the organization. The rationale for including this factor is the belief that an ethical culture cannot exist where employees do not perceive that they are treated fairly. The factor was assessed by asking for employee perceptions that senior officials are less likely to be disciplined for violating standards than other employees (QB8) and if all employees are held accountable for adhering to standards (QB16). The reliability of this scale was .73.

Measure 4: Culture Outcomes

Culture outcomes are observed in an organization with a strong ethical culture. In the initial IntraSight_{SM} research, outcomes were related to an effective ethics and compliance management program. Additionally, the relationships between culture factors and outcomes were explored. In previous research, the relationship between factors and outcomes was stronger than the relationship between program elements and outcomes. This study explored both sets of relationships, consistent with the original research.

Six outcomes were defined in this study:

1. Awareness when issues arise
2. Employees seek advice
3. OK to deliver bad news
4. Ethics integrated in decision making
5. Reporting violations
6. Unethical behavior

With the exception of unethical behavior, each of the outcomes is a desired result of an ethics program. But, more importantly, each outcome is evidence of a strong ethical culture. Each outcome is defined below.

Awareness when issues arise. Awareness when issues arise is a critical outcome of any ethics program and provides strong evidence of a positive ethical culture. The awareness outcome was assessed by two questions that asked if employees recognize ethics issues (C1) and if they recognize issues that arise at work (C8). The reliability of this scale was .89.

Employees seek advice. Again, seeking advice is an important program outcome. If the first challenge for a program is awareness of issues and resources, then the second is getting employees to seek help when needed. Seeking advice was assessed using two questions that asked if employees seek advice when issues arise (C2) and if employees look for advice within the agency when issues arise (C7). The reliability of this scale was .68. (Note that this is below the .70 threshold stated above. However, the small difference and the performance of this scale in past research provided confidence that the scale was reliable for this study.)

OK to deliver bad news. Delivering bad news to management is evidence of a positive ethical culture because it suggests that the work environment is safe and that supervisors and leaders have created an environment where open communication is welcome and encouraged. The logical link is that ethical discussions, seeking advice, and openly discussing problems will be encouraged in an environment where delivering bad news is OK. It is important to note as well that this outcome applies to all types of bad news—not just bad news related to ethics. OK to deliver bad news was assessed by two questions that asked if employees were comfortable delivering bad news to supervisors (C3) and if employees can talk with their supervisors without fear of having their comments held against them (C7). The reliability of this scale was .84.

Ethics integrated in decision making. This outcome examines employees' use of information in their daily work. Employees may be aware, may seek advice, may have open discussions, but then may not effectively use the information to make decisions that take into account ethical concerns. The inclusion of this outcome did raise some concerns related to the term "decision making." For many Government employees, "decisions" are policy rulings, contract awards, or other official actions. This outcome assumes "decisions" to be considered in a different context—such as a decision not to participate in an official matter because of a conflict of interest. Two questions were used to assess this concept. The first asked if employees make decisions that comply with ethics policies because of the program that is in place (C4) and the second asks if problem solving is better because of the agency ethics program (C9). The reliability of this scale was .79.

Reporting violations. Less emphasis was placed on this outcome because reporting violations is not a primary objective of the Government program administered by OGE. The outcome was retained to remain consistent with the IntraSight$_{SM}$ research. In this original research, the outcome was included because a key characteristic of many programs is a hotline or other reporting mechanism. Reporting violations then allows other program characteristics, such as follow-through and consistent application of rules, to be demonstrated. Reporting violations also assumes a level of awareness and understanding sufficient to provide an employee with the confidence to report. This outcome was assessed by survey question that asked if an employee would be comfortable reporting ethics violations (C6).

Unethical behavior. The final outcome directly addressed employee behavior. Importantly, this outcome assessed employee perceptions that various behaviors occur. The results were not correlated with other evidence of unethical conduct, such as incident reports or other official documentation of violations. The behaviors addressed were closely keyed to the Standards of Ethical Conduct and the criminal conflict of interest statutes. This was a different approach from the IntraSight$_{SM}$ research, which looked at a set of unethical behaviors that included issues such as sexual harassment and substance abuse. Given the narrow scope of the Government ethics program, these issues were specifically not addressed in this study. Eight behaviors were assessed, each by a single survey question (C10a-h). The questions addressed behaviors ranging from misuse of official time and property, to more complex issues such as employees accepting payment for doing their Government jobs from people outside the Government. The statements used to represent these behaviors were carefully crafted to be specific, yet to also allow for individual experiences and perceptions to influence responses. The reliability of this scale was .81.

Survey Pretest

A pretest was conducted to evaluate the survey instrument prior to distribution. The focus was on organization and clarity of survey items and performance of the data analysis plan. Approximately 25 individuals participated in two pretest sessions held at OGE. Participants were asked to take the survey. Feedback was solicited in a facilitated session.

Following the pretest sessions, the survey data were keyed and analysis conducted. The primary purpose of this was to demonstrate the types of analysis that would generate the survey findings and, more importantly, to test the reliability of the survey scales. The pretest demonstrated that the reliabilities of the scales were acceptable.

The primary changes made to the survey instrument were the unethical behavior statements. An earlier set of statements was more complex and included specific examples of the types of behavior viewed as unethical. Feedback from pretest participants indicated that the examples lacked relevance to most employees' daily work and provided no opportunity for interpretation (i.e., the questions were answered as if the example were being tested rather than the concept represented by the example). As a result, the behavior statements were simplified and the examples removed on the final survey instrument. The new behavior statements were not tested prior to survey distribution.

Sampling

The population of interest for this study was all executive branch employees. To maximize efficiency and conserve costs, a stratified random sample of employees was selected to receive the survey. The sampling process was conducted through the Office of Personnel Management (OPM). OPM provided a list of variables contained in the Central Personnel Data File (CPDF) that could be used for stratification. Based on the project team's specifications, OPM selected the final sample of employees.

The sampling frame was restricted based on the following criteria: employees in 22 major executive branch agencies; full-time employees only; U.S. employees only; employees serviced by personnel offices with responsibility for at least 500 people.

The total population of interest included approximately 1.2 million executive branch employees.

Employees were stratified according to two criteria—pay level and work location—creating six sampling strata based on three pay level categories and two work location categories. Figure 1 below describes the sampling strata.

Figure 1: Sampling Strata

		Pay Level Categories		
		GS 1-12 & Wage Grade Employees	GS13-15 Employees	SES & Sr. Level Employees
Work Location Categories	Washington, D.C. MSA (including DC, VA, MD, and WV)	Stratum 1	Stratum 2	Stratum 3
	All other MSAs	Stratum 4	Stratum 5	Stratum 6

Pay level categories were selected to approximate an employee's financial disclosure responsibility and to ensure sufficient representation in the response sample from employees who receive various levels of training and program resources. Pay level categories were used to approximate filing status because information on employee financial disclosure responsibility was not available through OPM.

Work location categories were defined based on the hypothesis that employees at headquarters locations (i.e., Washington, D.C. area) may have better access to ethics resources and might be more aware of the ethics program.

The population was also sampled proportionally within each stratum according to agency and supervisory status.

Appendix III contains the official sampling request provided to OPM by OGE. There were a few variations between the sampling request and the final sample selected. First, replacement of selected employees was not conducted if fewer than ten employees from any single personnel office were selected. Rather, acting on OPM's recommendation, we reduced the likelihood of this occurring by limiting the sampling frame to personnel offices that serviced at least 500 employees. Second, National Guard employees were removed from the sampling frame prior to selection, eliminating the need to replace these employees if they were selected.

The final sample included 7,474 employees. This number was selected based on the assumption of a 40% survey response rate.

Data Collection

Data were collected using a paper survey document. Each participant received a survey packet that contained (1) the survey booklet, (2) a cover letter, and (3) a postage-paid business reply envelope.

The combined Arthur Andersen and OGE project team worked directly with each target agency to facilitate the survey distribution. As a result, the distribution process was adapted for each agency. This resulted in surveys being distributed via one of two methods:

1. Direct mail from Arthur Andersen to either a home or work address.
2. Drop shipment to an agency location for subsequent distribution by agency officials.

Overall, 7,291 of the 7,474 surveys were distributed (183 surveys were undeliverable for a variety of reasons; e.g., no address was available, the employee left Government service). Of these, 5,614 were mailed directly to addresses provided to Arthur Andersen by the agencies. The remaining 1,677 surveys were shipped to 60 different personnel office locations for subsequent distribution.

The complexity of this process resulted in a survey distribution process that spanned 4 weeks. The response timeframe spanned nearly 10 weeks to accommodate the staggered distribution process. Toward the end of the administration period, a reminder postcard was distributed to direct mail survey recipients to encourage additional responses.

These processes resulted in a 37% survey response rate (2,704 of 7,291). Based on Arthur Andersen's experience conducting employee perception surveys, this represents a good response rate. Figure 2 details the survey responses by survey strata.

Overall, the level of responses was sufficient to generalize to the entire population, to employees in the three pay grade strata, and to employees in the two geographic strata. Responses were also sufficient to generalize to employees in the two upper pay grade strata within each of the two geographic strata and to employees in the lower pay grade stratum who work in the Washington, D.C.

area. The responses were not sufficient to generalize to employees in the lower pay grade stratum who work outside of the Washington, D.C. area.

Figure 2: Survey Sample Size and Responses

		Pay Level Categories			
		GS 1-12 & Wage Grade Employees	GS13-15 Employees	SES & Sr. Level Employees	Row Totals
Work Location Categories	Washington, D.C. MSA (including DC, VA, MD, and WV)	1,377 255 18.5%	1,325 517 39.0%	1,144 561 49.0%	3,846 1,333 34.6%
	All other MSAs	1,391 394 28.3%	1,341 516 38.4%	896 397 44.3%	3,628 1,307 36.0%
	Column Totals	2,768 649 23.4%	2,666 1,033 38.7%	2,040 958 46.9%	7,474 2,640 37.0%*

Note: Actual response was 2,704 from a final distribution of 7,291. Table figures do not reflect undeliverable surveys or surveys with missing responses in either the pay category or work location questions.

Data Processing and Analysis

Data were processed and analyzed using state-of-the-art tools and techniques. Data processing was conducted in two steps. First, quantitative survey data were keyed. Data were double-keyed to ensure 100% accuracy. Second, qualitative data were transcribed into an MS Access database. Open-ended responses were not edited, with the exception of removal of names and agency references.

Differences articulated in the findings are statistically significant at the 0.05 level unless otherwise indicated. This means that there is a very small probability (less than 5%) that the observed difference is a result of chance rather than a true difference between the groups' perceptions. The terms "statistically significant" and "significant" are used occasionally to emphasize these differences, or to explain that a difference is not meaningful (i.e., "not significant").

Many of the survey questions used a response range of 1-5. The meaning of the range endpoints varies by survey question. For example, a five indicates "very useful" for some of the questions and "very effective" for others. For these questions, results are presented as average ratings, rather than percentages of respondents answering with a particular rating.

The remaining survey questions were categorical. Results for these questions are presented as percentages of respondents answering with a particular response. Some categorical items are multiple response, or "check all that apply." Findings for these items are presented as percentages of all survey *respondents* providing a given response. Typically, this results in percentages for all response categories totaling more than 100%.

Data were analyzed using SPSS software according to the analysis plan established prior to the survey distribution and tested during the survey pretest (see Appendix II). Descriptive statistics were calculated for all items. These included frequency distributions and, where applicable, means and standard deviations.

Scale scores were calculated for culture factors and outcomes based on the questions comprising each scale and the scales were correlated to evaluate the strength of the relationships among them.

Additionally, selected program elements and outcomes were correlated to determine which elements were most closely related to culture outcomes.

This research used the Pearson correlation coefficient to measure relationships among factors and outcomes. In doing so, two assumptions are made: (1) that the data are interval, as opposed to categorical, and (2) that it is appropriate to use the Pearson r on interval-level data.

The factor and outcome responses are collected using a *Likert scale* response format (5 response categories of approximately equal intervals). It has been shown through research on similarly scaled expressions that "a majority of existing attitude scales *do* use categories of approximately equal intervals" (Ghiselli, 1981).

It is appropriate to apply the Pearson r statistic in assessing relationships among variables that are interval-level. According to Ghiselli, "In developing the Pearsonian coefficient, we did not stipulate that the variables being related were multistep variables, but only that the quantitative descriptions vary from low amounts of the traits being measured to higher amounts." Therefore, we can be highly confident when applying the Pearson r to data collected using a 5-point response format.

Lastly, qualitative data were coded and a frequency distribution of comment codes was generated. Where applicable, open-ended responses were related to quantitative findings to add richness to the results.

Response weighting

Responses were weighted by work location, pay level, and supervisory status. The weighting procedures produced a respondent sample that mirrors the survey population. This was done because actual survey responses were not in proportion to the survey population (i.e., responses were disproportionately high for higher-level employees). Weighting was applied where two or more demographic groups were combined to produce overall or subgroup results (e.g., all Washington, D.C. area employees). In cases where results were reported by individual demographic groups, data were not weighted.

Reporting

Reporting was conducted in two stages. First, an Executive Briefing was conducted with OGE Senior Staff to review survey findings and discuss the conclusions and results. This briefing provided the Senior agency staff the opportunity to provide input into the content of the final report. The second stage involved the preparation of this report.

In both cases, Arthur Andersen prepared initial drafts of the report document, which were reviewed by OGE. Following each review, appropriate revisions were made before the document was finalized.

Report documents were delivered to OGE in hard copy as well as in Adobe PDF format.

FINDINGS

This section presents the overall study findings in detail, and compares results across subsets of the relevant demographic variables. Key among these is financial disclosure report filing status, which reflects exposure to ethics training.

Ethics program resources are available to all executive branch employees, to a degree, but are targeted to those employees with financial disclosure report filing obligations. Given this, results for each of the four survey measures—program awareness, program effectiveness, culture factors, and culture outcomes—are expected to differ according to filing status.

Also relevant to the study are supervisory status, work location (Washington, D.C. area or elsewhere in the U.S.), and tenure with the Federal Government. Each of these variables is significantly related to filing status. Employees with filing obligations are more likely than non-filers to be supervisors, and they also are more likely to have longer tenures with the Government. Further, employees with filing responsibility are more strongly represented in the Washington, D.C. area than they are elsewhere in the U.S.

Differences in response patterns among categories of these variables are evaluated within each of the filing status groups to assess whether a relationship truly exists. Findings are presented first overall, then by filing status, and finally according to the additional relevant demographic variables.

Measure 1: Program Awareness

The survey findings confirm that employees are aware and have a generally accurate perception of their agency's ethics program. In addition, they are moderately familiar with the program objectives. Financial disclosure report filers demonstrate higher awareness and understanding of the program. Supervisory status is also related to program awareness and understanding of objectives.

Executive branch employees are aware of their agency ethics program

Executive branch employees are familiar with the ethics program and its resources. Awareness is highest among financial disclosure report filers and supervisors. The survey measured program awareness through two questions: (1) respondents were asked if they were aware that there are officials in their agency whose job responsibilities include providing advice to employees on ethics issues, and (2) respondents were asked to rate their familiarity with their agency's ethics program on a scale of one to five.

As shown in Exhibit 1, three-fourths of all respondents said they were aware that there are officials in their agency whose job responsibilities include providing advice to employees on ethics issues. Financial disclosure report filers indicate significantly greater program awareness when compared with other respondents.

Exhibit 1: Awareness of Agency Ethics Official by Filing Status
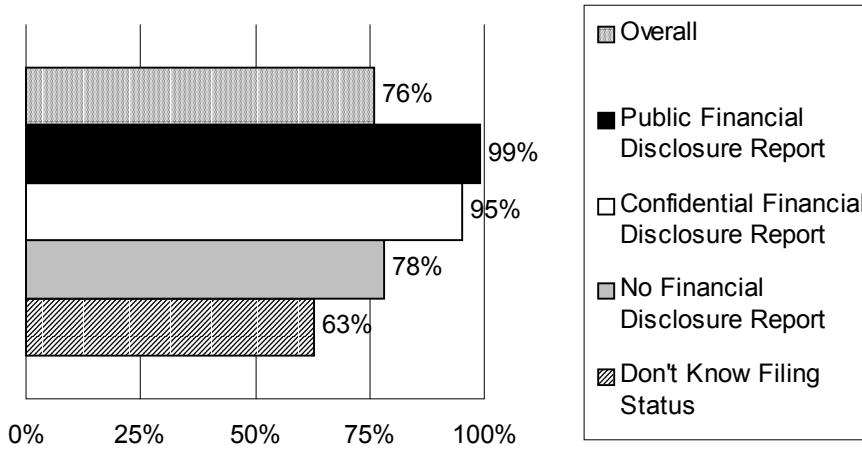
Awareness is higher among supervisors than it is among non-supervisors, and this relationship remains significant when controlling for filing status (see Exhibit 2).

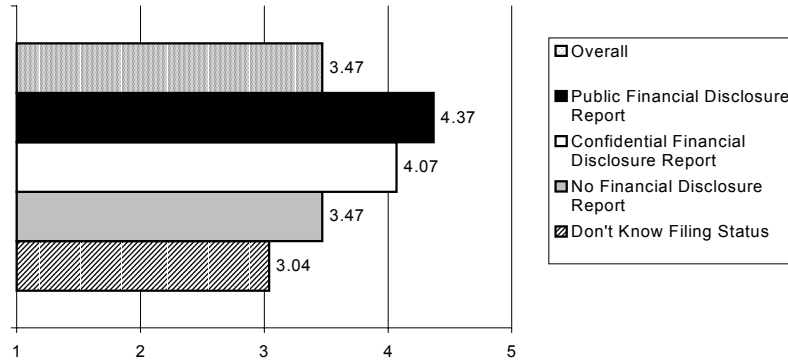*Exhibit 2: Awareness of Agency Ethics Official by Supervisory Status*
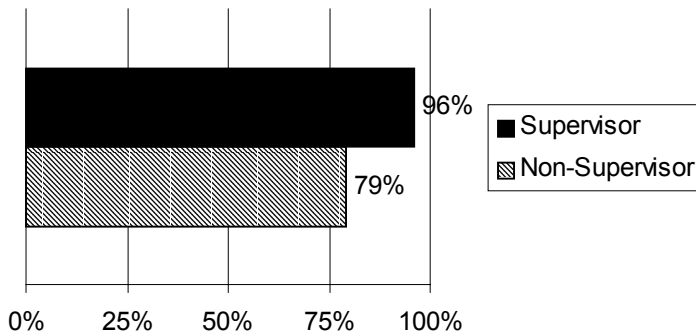
Within the public filer category, 99% of supervisors are aware of their agency ethics official, compared with 92% of non-supervisors. Among confidential filers, 97% of the supervisors report awareness of their ethics official, compared with 92% of non-supervisors. Eighty-three percent of supervisors who are not required to file a disclosure report are aware of their ethics official, compared with 76% of non-supervisors within this category.

Employees who have worked for the Government more than 20 years reported higher awareness of ethics officials and greater familiarity with the ethics program. However, when controlling for filing status, there is no clear relationship between time with the Government and awareness of ethics official.

Washington, D.C. area employees were slightly more likely than those in other U.S. locations to report awareness of ethics officials.

In addition to awareness of agency ethics officials, the survey measured respondents' familiarity with their agency's ethics program. As shown in Exhibit 3, average familiarity ratings among filers are highest, while average ratings among non-filers and those who don't know their status are lower.

Exhibit 3: Familiarity with Ethics Program by Filing Status

Supervisors were more likely than non-supervisors to rate themselves familiar with the ethics program (Exhibit 4). These differences remained significant when controlling for filing status. As with awareness of ethics officials, observed differences in familiarity ratings by length of time with the Government were not significant within filing status categories. No differences by geographic location were observed.

Exhibit 4: Familiarity with Ethics Program by Supervisory Status
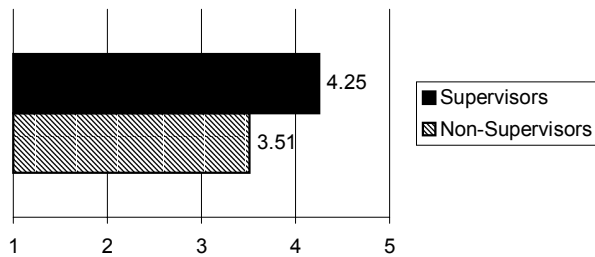
Familiarity with program objectives

Overall, employees were moderately familiar with the objectives of the ethics program. The program objectives with which employees are most familiar involve education and prevention of ethics policy violations. Preventing violations of ethics policies received an average rating of 3.90, and educating employees regarding ethics standards received a rating of 3.86. Employees were moderately familiar with the objectives related to public trust, fair treatment of the public and outside organizations dealing with the Government, and answering employee questions. The average familiarity rating for ensuring and strengthening the public's trust in Government was 3.64, and ensuring fair and impartial treatment of the public and outside organizations in their dealings with the agency received an average rating of 3.59. The program objective of answering employee questions about ethics received an average rating of 3.56.

Employees were least likely to report being familiar with the program objectives of lesser significance to ethics program goals. Detecting unethical behavior received an average rating 3.39, and disciplining or prosecuting violators received an average rating of 3.13.

Employees with financial disclosure responsibilities considered themselves significantly more familiar with all but two of the program objectives: detecting unethical behavior and disciplining and prosecuting violators.

With the exceptions of detecting unethical behavior and disciplining and prosecuting violators, supervisors were more familiar with program objectives than were non-supervisors. In general, these differences remained significant when controlling for filing status.

For most program objectives, familiarity did not vary significantly by work location or by time with the Government, when controlling for filing status.

Familiarity with Rules of Ethical Conduct

Employees are moderately familiar with the Rules of Ethical Conduct, with an overall average rating of 3.39. Financial disclosure report filers rate their familiarity higher, providing an average rating of 4.33. The average rating among confidential filers was 4.04, compared with 3.42 among non-filers, and 3.01 among those who do not know their filing status.

Exhibit 5: Familiarity with Rules of Ethical Conduct by Filing Status
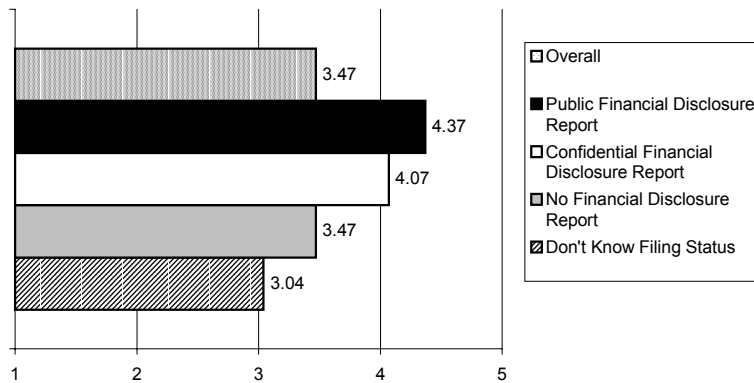
Supervisors rate their familiarity with the Rules of Ethical Conduct higher than do non-supervisors, and the relationship remains consistent within filing status categories (see Exhibit 6).

Exhibit 6: Familiarity with Rules of Ethical Conduct by Supervisory Status
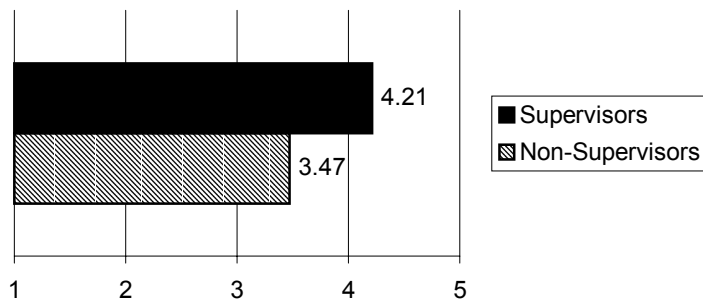
Within the public filer category, the average familiarity rating among supervisors was 4.36, while the non-supervisors' ratings averaged only 4.04. Among confidential filers, the average supervisor rating was 4.26, compared with 3.78 for non-supervisors with the same filing status. Non-filers who are supervisors provided an average rating of 3.59, while non-supervisors in this category averaged only 3.38.

Variations by work location were not significant when controlling for filing status. There were some significant differences in familiarity ratings by time with the Government, but a clear relationship between length of service and increased familiarity was not apparent.

Measure 2: Program Effectiveness

The survey results indicate that employees believe the Rules of Ethical Conduct are moderately useful for guiding their decisions and conduct. It is common for executive branch employees to have ethics-related issues or questions, and employees are willing to seek advice from agency ethics officials, and other sources, when the need arises. The fact that employees report receiving regular ethics training and analysis shows that training is directly related to familiarity with the ethics program. Employees receive training via multiple methods but report that instructor-led training is the most effective.

Consistent with previous findings, there are differences in perceptions and behavior between employees who are required to file financial disclosure reports and those who are not. Similarly, the same pattern of results can be seen when comparing employees who are supervisors and those who are not.

Usefulness of the Rules of Ethical Conduct

Employees reported that the Rules of Ethical Conduct are moderately useful in guiding decisions and conduct in connection with their work. Employees with financial disclosure responsibilities found the Rules more useful than did other employees. The average usefulness rating among public filers was 4.02, and the average rating among confidential filers was 3.90. Non-filers provided a lower average rating (3.62), and those employees who do not know their filing status indicated the lowest average rating at 3.37.

Exhibit 7: Usefulness of Rules of Ethical Conduct by Filing Status
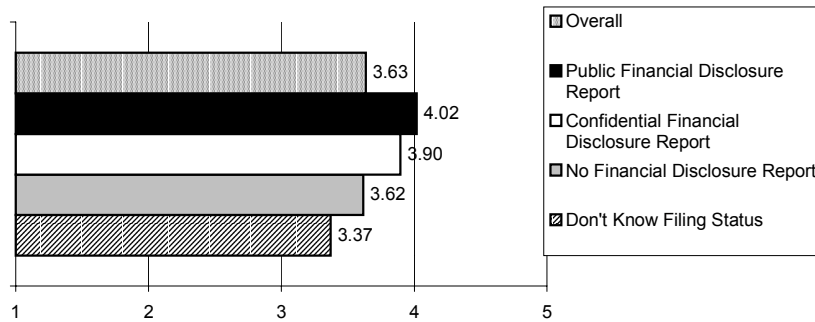
Supervisors found the rules more useful than did non-supervisors. The average rating for usefulness of Rules of Ethical Conduct among all supervisors was 4.00, compared with 3.59 among non-supervisors. The difference between supervisors and non-supervisors remained statistically significant when controlling for filing status (see Exhibit 8).

Exhibit 8: Usefulness of Rules of Ethical Conduct by Supervisory Status
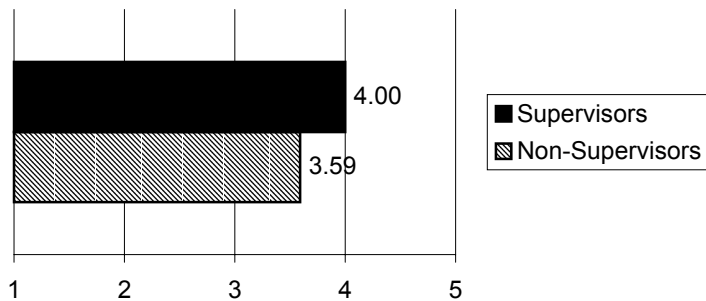
Variations by work location were not significant. Some significant differences were found among employees with different tenures with the Government; however, no clear trend was established between time with the Government and usefulness of Rules of Ethical Conduct.

Employees demonstrate need for ethics advice

Executive branch employees are willing to seek advice, and demonstrate through their inquiries to agency ethics officials and other advisors the considerable need that exists for such resources. In the past five years, 24% of all respondents sought ethics-related advice in connection with their work. Those respondents who are required to file financial disclosure reports were most likely to seek advice. Seventy-one percent (71%) of the public filers reported seeking ethics-related advice in the past five years, compared with 50% of confidential filers and 23% of non-filers.

Exhibit 9: Percent Seeking Advice in the Last 5 Years by Filing Status
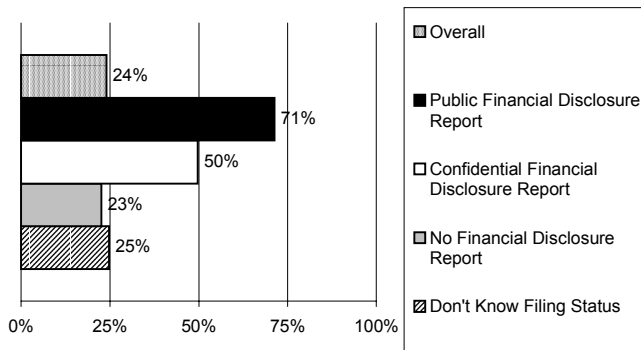
Supervisors are more likely to seek advice than are non-supervisors, a relationship that remains significant when controlling for filing status. Of all supervisors, 64% sought ethics-related advice within the past five years, while only 27% of non-supervisors sought similar advice (see Exhibit 10).

Exhibit 10: Percent Seeking Advice in the Last 5 Years by Supervisory Status
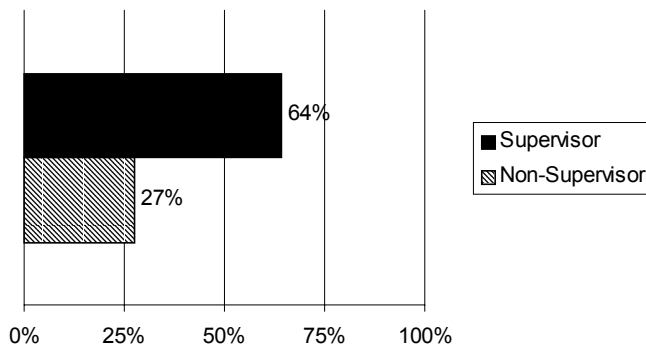
Within the public filer category, 75% of the supervisors sought advice, compared with 45% of non-supervisors. Among confidential filer supervisors, 60% sought advice, while only 38% of their non-supervisor counterparts did the same. Thirty percent of those supervisors who are not required to file a financial disclosure report sought advice, compared with 21% of non-supervisors.

Controlling for filing status, employees working in the Washington, D.C. area and those working elsewhere in the U.S. are equally likely to seek advice. Similarly, seeking advice did not vary by tenure with the Government.

Employees use program resources

Most respondents who seek ethics-related advice choose their agency ethics official to provide it. Fifty-nine percent (59%) of those seeking advice in the past five years consulted their ethics official, while 41% used other resources. Other resources employees consulted include the General Counsel's Office, the Human Resources Office, their supervisor, other counsel, their union official and personal resources.

When seeking advice, public financial disclosure report filers relied on their agency ethics official in the great majority (93%) of cases.

Exhibit 11: Percent Choosing Agency Ethics Official as Resource for Advice by Filing Status
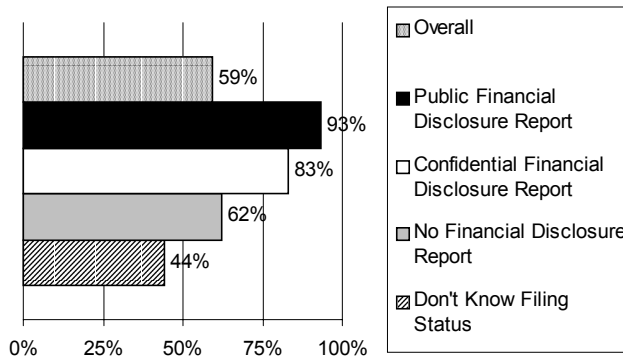
Among supervisors seeking advice, 90% consulted their agency ethics official, while only 66% of the non-supervisors chose their ethics official over other resources. This difference is significant among both public and confidential financial disclosure report filers when controlling for filing status. Among non-filers, however, the number of supervisors is quite small and the difference between the supervisor and non-supervisor percentages is not statistically significant.

Exhibit 12: Percent Choosing Agency Ethics Official as Resource for Advice by Supervisory Status

Employees working in the Washington, D.C. area are more likely to solicit advice from their agency ethics official than are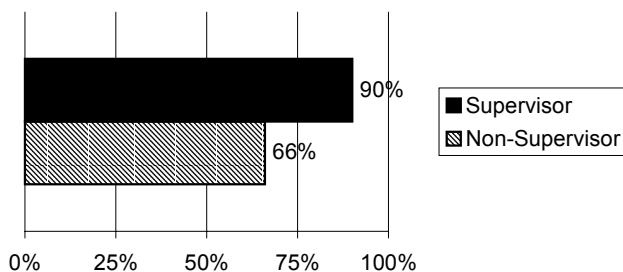 employees elsewhere in the U.S. Among Washington, D.C. area employees seeking advice, 88% consulted their agency ethics official, compared with 78% of employees outside the D.C. area. Among report filers, Washington, D.C. area employees are more likely to choose their agency ethics official when soliciting ethics-related advice. However, among non-filers, 73% of the Washington, D.C. area respondents seeking advice turned to their agency ethics official, while among employees elsewhere in the U.S. only 54% of advice seekers sought advice from ethics officials.

Employees find ethics officials helpful

The helpfulness rating of ethics officials averaged 4.28, compared with an average rating of 3.57 for other sources consulted. The average rating for helpfulness of ethics officials was significantly higher among public financial disclosure report filers and confidential financial disclosure report filers. Within filing status categories, variations in helpfulness ratings were not significant by supervisory status, time with Government, or work location.

Exhibit 13: Helpfulness of Agency Ethics Official by Filing Status
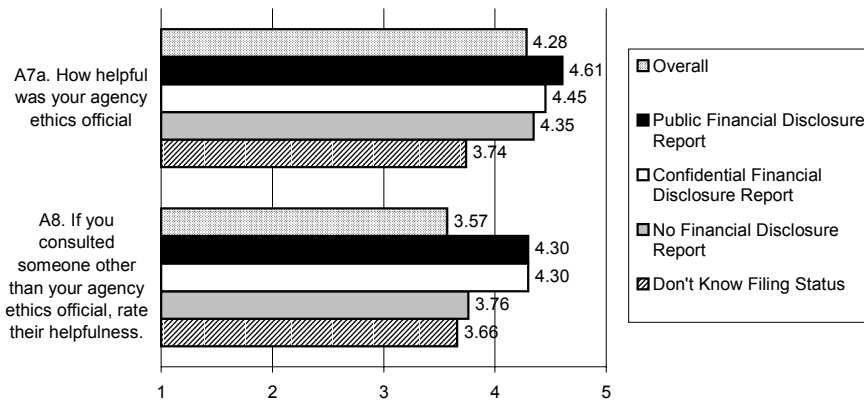
Reasons for seeking alternative resources

Respondents who sought ethics advice, but did not consult an agency ethics official, indicated several reasons for doing so (see Exhibit 14). The most frequent reasons provided were that they did not know there was an ethics staff or that there is no ethics staff. Combined, these reasons were provided by 46% of respondents. Other reasons for choosing other resources over agency ethics officials reveal that some employees lack confidence in the ethics program resources or fear some type of negative consequence will result from their consultation. Nineteen percent (19%) of those respondents indicated a lack of confidence in receiving good advice. Fifteen percent (15%) said they believed nothing would be done, and 13% feared they would get into trouble. Less than 1% believed that the ethics staff does not have time to address their issues.

Exhibit 14: Reasons for Not Consulting an Ethics Official When Seeking Advice

	Responses	
There is no ethics staff	22	9.0%
Didn't know there was an ethics staff	92	37.3%
They don't have time for me	0	0.2%
No confidence I'd get good advice	47	19.2%
Believed nothing would be done	37	15.1%
Afraid I'd get into trouble	33	13.2%
Other	98	39.6%

Note: Percentages are based on the total number of employees answering this question (n=247). Responses from employees who indicated they had not sought advice or who indicated they consulted their ethics official were eliminated.

Very few public report filers had not consulted an agency ethics official for advice during the past five years. Of those who had not consulted an agency ethics official, 60% said they lacked confidence that they would receive good advice. The reason most often provided by confidential filers was that they believed nothing would be done in response to their inquiry (19%). Non-filers most often said that they lacked confidence in receiving good advice (15%), feared getting into trouble (13%) or believed nothing would be done (10%).

Respondents located outside the Washington, D.C. area were more likely than those elsewhere in the U.S. to say they believed nothing would be done if they consulted an agency ethics official. This could offer some explanation for the result that this same group of respondents is less likely to choose ethics officials over other resources when seeking advice. Another likely contributing factor is that non-Washington, D.C. area employees who did not consult an ethics official for their concern were more likely to say they didn't know there was an ethics staff. However, awareness of ethics officials in general was not significantly lower for employees outside the Washington, D.C. area.

Reasons for not seeking advice from any resource

Of the survey respondents who did not seek ethics advice at all during the past five years, most (61%) indicated that they did not have a relevant question during that time period. Thirty-seven percent (37%) of respondents indicated they were confident in their own ability to address the issues. Nearly 11% of the respondents said they didn't know whom to ask (see Exhibit 15).

Exhibit 15: Reasons for Not Seeking Ethics Advice

	Responses	
Never had a question	1176	60.8%
Didn't know whom to ask	203	10.5%
Confident in my own ability to address issue	719	37.2%
No confidence I'd get good advice	126	6.5%
Believed nothing would be done	231	11.9%
Afraid I'd get into trouble	101	5.2%
Other	81	4.2%

Note: Percentages are based on the total number of employees answering this question (n=1,934). Responses from employees who Indicated that they sought advice, but still answered this question were eliminated

Financial disclosure report filers who did not seek advice in the past five years indicated one of two reasons for the behavior—either they did not have a question, or they were confident in their own ability to address the issue. Non-filers and those employees who do not know their filing status were more likely to provide one or more of the other reasons: believing nothing would be done, lacking confidence in receiving good advice, being afraid of getting into trouble.

Some employees who would benefit from program resources have not been reached

Although the program has been successful in reaching the vast majority of its audience, the above results indicated that there are some employees who would benefit from program resources who have not been reached. These employees fall into to two categories: (1) employees who sought ethics advice from other sources because they did not know there was an ethics staff or there was no ethics staff (see Exhibit 14) and (2) employees who did not seek advice because they did not know whom to ask (see Exhibit 15). Combined, these groups of individuals comprise 12% of all survey respondents—which represents approximately 140,000 employees.

Employees received regular ethics training over the past five years

The ethics program is successful in reaching executive branch employees, and its efforts to reach those employees with substantial responsibilities are effective. As shown in Exhibit 16, training is more frequent among financial report filers, and this group finds training more useful in their jobs and more effective overall. Supervisors find training very useful, providing higher ratings than non-supervisors across all filing status categories.

Exhibit 16: Frequency of Training Over the Past 5 Years by Filing Status
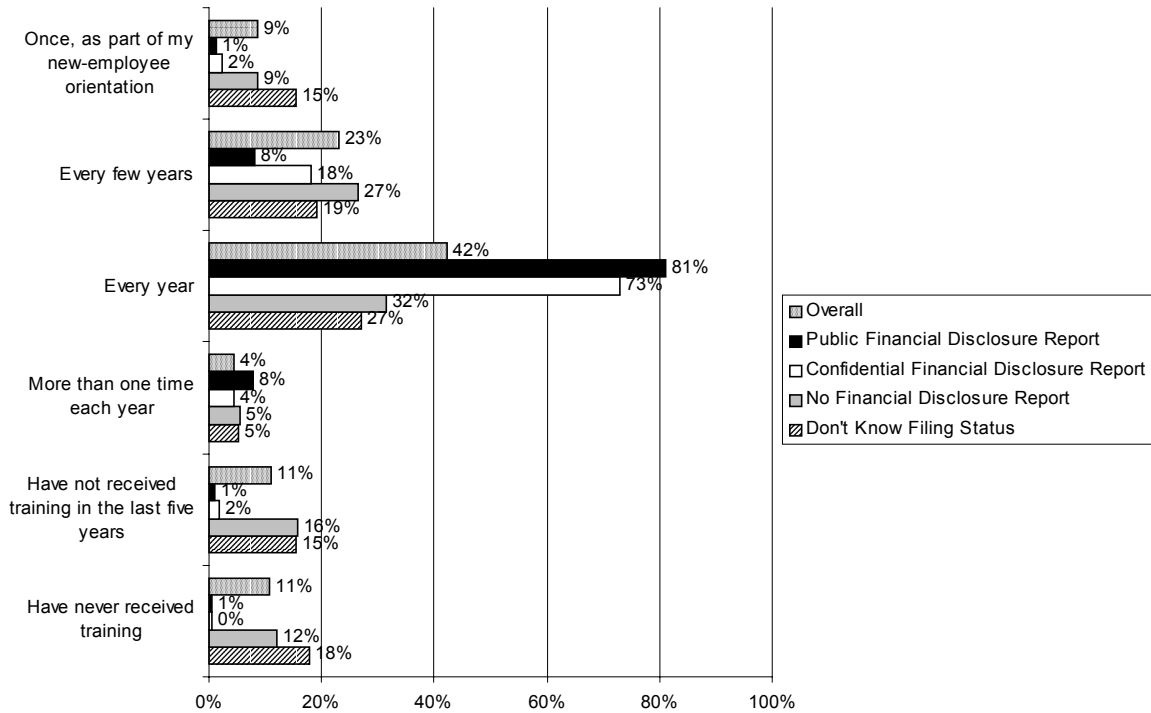
Forty-two percent (42%) of all employees reported receiving some form of ethics training every year during the past five years. Another 23% received training every few years, and 9% received training once, as part of their new-employee orientation program. Eleven percent of all employees reported that they have not received ethics training in the past five years, and another 11% said they have never received ethics training. Of the 11% who said they have never received ethics training, the great majority (97%) are either non-filers or do not know their filing status, and 94% are non-supervisors. `

Training resources are targeted to individuals with financial disclosure responsibilities, and the survey results indicate the ethics program is, largely, successful in this objective. Eighty-nine percent (89%) of public filers received training at least once per year, as did 77% of confidential filers. However, all filers should be receiving training annually, so anything less than 100% falls short of OGE's goal. Further, about 2% of both groups reported that they had not received training in the past five years or had never received training.

As shown in Exhibit 17, training frequency varies significantly by supervisory status. In general, supervisors are more likely than non-supervisors to receive training.

Exhibit 17: Frequency of Training Over the Past 5 Years by Supervisory Status
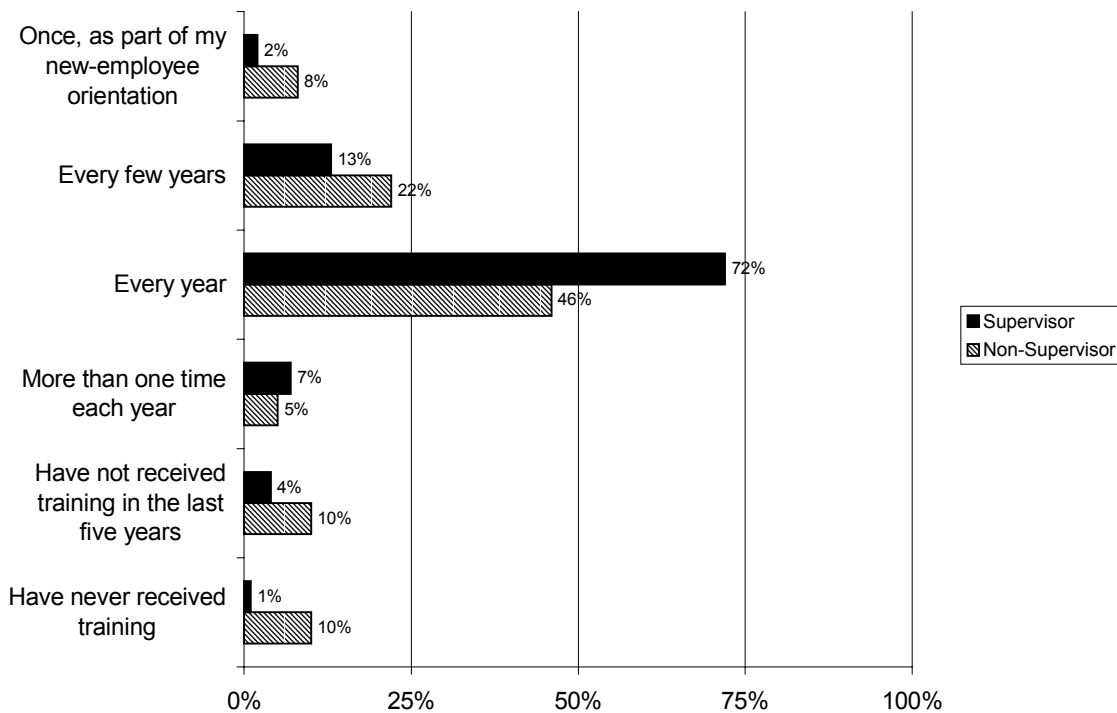
When training frequency for supervisors and non-supervisors is examined within each filing status category, the overall trend observed above is not always maintained. For example, among non-filers, supervisors are significantly *less* likely than non-supervisors to receive frequent training. Although supervisors who do not file represent a fairly small share of the population (less than 5%), they do account for approximately 56,000 executive branch employees, when extrapolated to the population. This finding suggests that supervisors, given their role as a resource to those they manage, may be candidates for additional ethics training.

Among public filers, supervisors are significantly more likely than non-supervisors to receive training. Among confidential filers, there is no significant difference between supervisors and non-supervisors in percentages receiving frequent training.

Newer employees were more likely than those with longer tenures to report that they had received training only once, as part of their new-hire orientation. Employees having more time with the Government were more likely to report that they have received training more frequently. For example, 73% of employees who have worked for the Government 20 years or more said they have received training at least once per year during the past five years. Among those having 10 to 20 years' experience, only 56% reported receiving training this often, and the percentage among those having 5 to 10 years' experience is only 55%. This relationship remains significant when controlling for filing status.
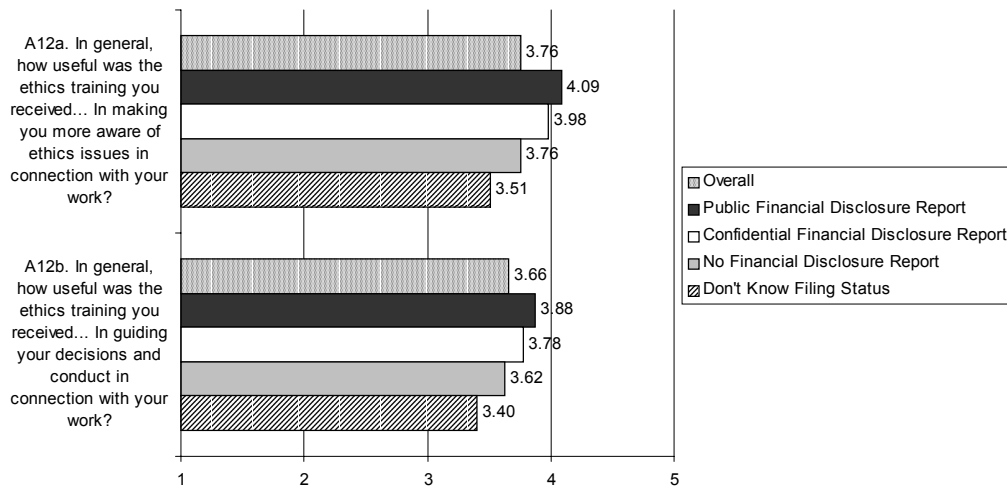
Usefulness of ethics training

Training was rated more useful than the Rules of Ethical Conduct. Ratings of training usefulness averaged 3.76 in terms of making employees more aware of ethics issues in connection with their

work. Training is slightly less useful, from the employee perspective, in guiding decisions and conduct in connection with work (average rating of 3.66).

By the nature of their work, financial disclosure report filers have greater opportunity to encounter ethics issues. That group is more likely to find training useful in making them aware of ethics concerns, with ratings averaging 4.09 among public filers and 3.98 among confidential filers.

When assessing training usefulness in terms of guiding decisions and conduct in connection with work, public filers rated usefulness of training for guiding decisions at 3.88, while the average rating among confidential filers was 3.78.

Exhibit 18: Usefulness of Ethics Training

Supervisors found ethics training more useful than did non-supervisors. However, when controlling for filing status, the difference is significant only among confidential filers. Within the confidential filing status category, the average rating for usefulness in making employees more aware of ethics issues was 4.06, compared with 3.89 among non-supervisors. In terms of guiding decisions, supervisors in this filing status category provided an average usefulness rating of 3.86, while the average among non-supervisors was 3.68.

Ethics training related to familiarity with Rules of Ethical Conduct

Employees who received more frequent ethics training during the past five years reported a greater familiarity with the Rules of Ethical Conduct. The average familiarity rating among employees receiving training every few years was 3.51. However, among employees receiving training every year, the average rating was 3.77. Those employees receiving training more than one time each year provided the highest average rating (3.85).

This relationship between training frequency and greater understanding of Rules of Ethical Conduct is apparent across all filing status categories, although the observed trend is not statistically significant within the confidential filer group.

Employees receive training via multiple methods

Ethics program training is provided in various ways, including in-person discussion, videotape, direct communications (in the form of newsletters, memos, etc.), reference materials, computer-based training, and teleconferences or satellite broadcasts. Sixty-one percent (61%) of all executive branch employees received training via more than one method during the past five years. Thirty-eight percent (38%) received training by three or more methods during this time period, and 20% reported at least four different types of training received.

As shown in Exhibit 19, the type of training reaching the most employees (57%) is in-person instructor-led lecture or discussion. Forty-six percent (46%) of all employees watched videotaped training, and 40% received direct communications, such as newsletters, pamphlets, memos, or e-mails. Thirty-seven percent (37%) of the employees received or used reference materials, such as legal documents, laws or regulations. Thirteen percent (13%) of employees received computer-based training, and 10% attended a training teleconference or satellite broadcast.

Exhibit 19: Percent of Employees Receiving Training by Various Methods Over the Past Five Years
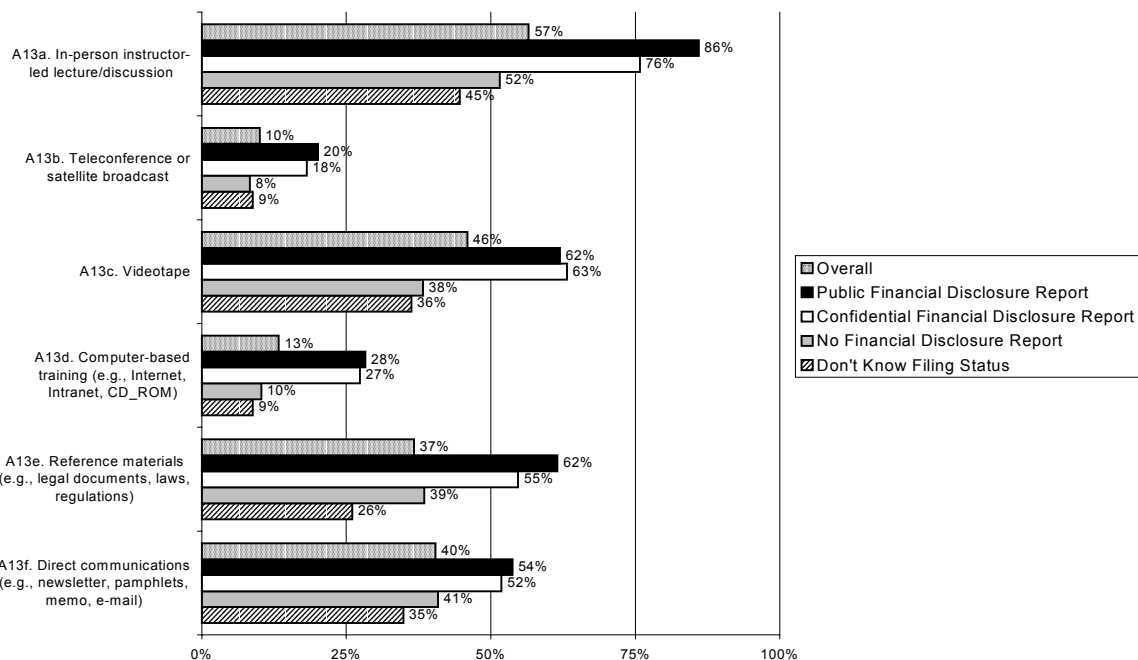
Note: percentages are based on all the total number of respondents in each filing status category.

Financial disclosure report filers were more likely than non-filers to receive training of all types. Supervisors were more likely than non-supervisors to receive training via teleconference or satellite broadcast and by direct communications. Employees outside of the Washington, D.C. area were more likely to receive training via teleconference or satellite broadcast than were employees in the Washington, D.C. area.

Effectiveness of training methods

In-person training (i.e., instructor-led lecture or discussion) was rated the most effective type of training provided to employees and received an average effectiveness rating of 3.90. Direct communications received an average effectiveness rating of 3.67, and the average rating for computer-based training was 3.62. Teleconferences or satellite broadcasts received an average rating of 3.61, and the average rating for videotaped training was 3.59. Reference materials were considered least effective, with average ratings of 3.55 (see Exhibit 20 below).

In general, financial disclosure report filers viewed training as more effective, when compared with non-filers. The difference between filers and non-filers in perceptions of training effectiveness was most pronounced for computer-based training. The average effectiveness rating for this type of training among public filers was 3.75, and among confidential filers, it was 3.80. In contrast, non-filers rated effectiveness of this training method at only 3.43, and those employees who do not know their filing status provided an average rating of 3.47. Effectiveness of videotaped training and reference materials showed the smallest variations by filing status.

Exhibit 20: Effectiveness of Training Methods by Filing Status
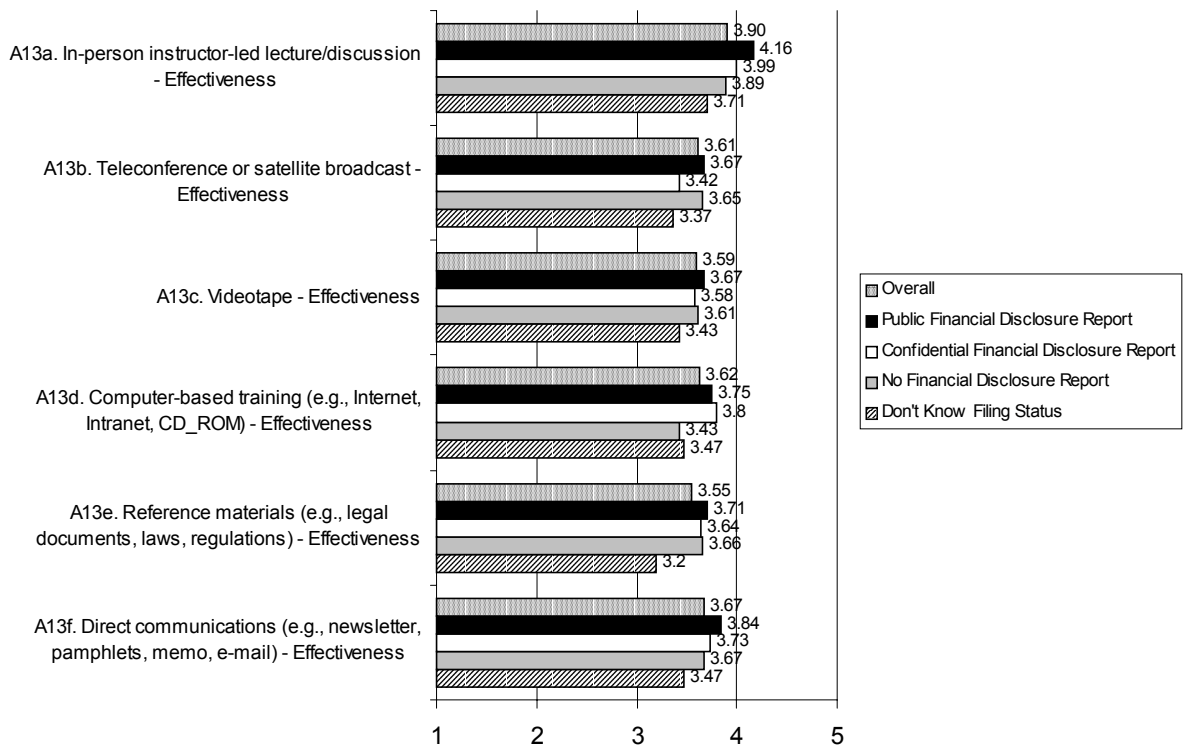
Note: ratings are based only on responses from employees who responded that "yes" they had received that type of training.

Measure 3: Culture Factors

Employee ratings of ethical culture factors were near the midpoint of the scale, indicating that they neither strongly agree nor strongly disagree that the statements are characteristic of their agencies. For each factor rating, a high number is a positive result. It should also be noted that the factor "Unquestioned Obedience to Authority" was reverse-scored so that a positive response indicates employees' perception that the culture allows questioning of authority, which is considered a positive cultural attribute.

For all employees, the highest rated culture factors were Ethical Behavior Rewarded (3.24), Follow-up on Reports of Ethics Concerns (3.18), and Unethical Behavior Punished (3.14). Employees also agree that supervisory and executive leadership are attentive to ethics, and that there is not an atmosphere of unquestioning obedience to authority. The lowest rated culture factors were Open Discussion about Ethics (2.84), Fair Treatment (2.88), and Efforts to Detect Violators (2.90). Employees also disagreed slightly that there is consistency between ethics policies and practices.

There is a clear relationship between employee filing status and perception of ethical culture. Financial disclosure report filers tend to indicate a more positive perception of the agency ethical culture than do non-filers. Within the filing categories, public filers are significantly more positive regarding ethical culture factors than are confidential filers. These findings suggest that increased exposure to the program by filers is related to a more positive perception of ethical culture.

Supervisors are more likely than are employees in non-supervisory positions to have a positive perception of the ethical culture of their agencies. This result may indicate that supervisors and managers generally have a more positive perception of the ethical culture because they help to create it through their own attitudes and actions.

When controlling for filing status, there are no consistent differences based on length of time with the Federal Government or employee work location.

Factor Ratings

Exhibit 21 shows the factor ratings for all employees as well as by filing status category.

A clear pattern emerges regarding perceptions of ethical culture factors based on filing status. Public filers have the most favorable perception of the ethical culture, followed by confidential filers, non-filers, and employees who do not know their filing status. Rating differences based on filing status are significant for all factors, with the exception of those between non-filers and employees who do not know their filing status. The largest differences based on filing status exist for the factors assessing the consistency between agency policies and practices, whether ethics concerns are followed up on, whether there is an atmosphere of unquestioning obedience to authority, and the existence of fair treatment in relation to ethics issues.

When controlling for filing status, employees who have been with the Government from 10+ to 20 years report a less favorable perception of ethical culture than do employees who have been with the Government more than 20 years and employees who have been with the Government less than 10 years.

No meaningful differences exist in regard to ethical culture factors based on work location.

Exhibit 21: Ethical Culture Factors by Filing Status

Chart legend:
- Overall
- Public Financial Disclosure Report
- Confidential Financial Disclosure Report
- No Financial Disclosure Report
- Don't Know Filing Status

Supervisory Leadership Attention to Ethics (B1, B10)
- 3.10
- 3.79
- 3.47
- 3.13
- 3.01

Executive Leadership Attention to Ethics (B3, B7)
- 3.09
- 3.87
- 3.56
- 3.16
- 2.96

Consistency Between Policies and Practices (B4, B14)
- 2.95
- 3.75
- 3.46
- 3.01
- 2.77

Open Discussion about Ethics (B5, B13)
- 2.84
- 3.60
- 3.30
- 2.89
- 2.72

Ethical Behavior Rewarded (B6)
- 3.24
- 3.94
- 3.63
- 3.21
- 3.19

Follow Up on Reports of Ethics Concerns (B2, B9)
- 3.18
- 3.97
- 3.66
- 3.23
- 2.96

Efforts to Detect Violators (B11)
- 2.90
- 3.35
- 3.13
- 2.93
- 2.75

Unethical Behavior Punished (B12)
- 3.14
- 3.71
- 3.52
- 3.15
- 3.03

Unquestioning Obedience to Authority (B15)
- 3.08
- 3.90
- 3.46
- 3.20
- 2.93

Fair Treatment (B8, B16)
- 2.88
- 3.75
- 3.35
- 2.91
- 2.81

There are significant differences between the factor ratings of supervisors and non-supervisors (see Exhibit 22). Regardless of filing status, supervisors rate the ethical culture factors higher than do non-supervisors. These are significant differences for every factor, within all filing status categories, with the sole exception of the Ethical Behavior Rewarded factor among non-filers. In every other instance, supervisors demonstrate a significantly more positive perception of their agency's ethical culture than do employees who are not in supervisory positions.

Exhibit 22: Ethical Culture Factors by Supervisory Status

	Supervisors	Non-Supervisors
Supervisory Leadership Attention to Ethics (B1, B10)	3.72	3.12
Executive Leadership Attention to Ethics (B3, B7)	3.79	3.17
Consistency Between Policies and Practices (B4, B14)	3.65	3.04
Open Discussion about Ethics (B5, B13)	3.51	2.92
Ethical Behavior Rewarded (B6)	3.85	3.26
Follow Up on Reports of Ethics Concerns (B2, B9)	3.90	3.22
Efforts to Detect Violators (B11)	3.31	2.89
Unethical Behavior Punished (B12)	3.66	3.17
Unquestioning Obedience to Authority (B15)	3.81	3.12
Fair Treatment (B8, B16)	3.64	2.94

Measure 4: Culture Outcomes

Overall, employee ratings of outcomes within their agencies are near the midpoint of the response range, indicating that they neither strongly agree nor strongly disagree with the items being rated. The most positive perception exists regarding employee awareness when ethical issues arise. Employee comfort in approaching supervisors with ethics-related problems is the lowest rated of the outcomes. Overall, employees perceive the frequency of unethical behaviors within their agencies to be relatively low.

Financial report filers tend to have a more favorable perception of the ethical outcomes within their agencies than do non-filers and employees who do not know their filing status. Again, we see the most positive perception among public filers, followed by confidential filers, non-filers, and those who do not know their filing status.

There are no consistent trends according to length of employment or work location; however, supervisors are more positive in their perceptions of the ethical behavior outcomes within their agencies than are non-supervisors. This trend remains consistent when controlling for filing status.

Outcome ratings

As shown in Exhibit 23, overall ethical outcome ratings are generally near the midpoint of the 5-point scale. Employee awareness when ethical issues arise received the highest overall rating (3.47). Two additional outcomes, Reporting Violations (3.14) and Employees Seek Advice (3.06) received overall ratings above the midpoint, indicating favorable perceptions. The outcomes rated below the midpoint, indicating a slightly unfavorable perception, are Ethics Integrated in Decision-Making (2.90) and whether it is OK to Deliver Bad News (2.81).

The Unethical Behavior outcome is rated at 2.18 overall on a scale ranging from Never to Very Frequently (Note: for this outcome a low rating is considered a "positive" result because this indicates that employees perceive that these types of conduct rarely occur). The eight behaviors that make up this scale, and the ratings for each, are:

- Agency employees misusing official time (3.09).
- Agency employees misusing Government property (2.74).
- Agency employees misusing their Government positions (2.37).
- Agency employees improperly giving gifts to their supervisors or accepting gifts from their subordinates (2.00).
- Agency employees improperly accepting gifts given to them because of where they work or what they do in their Government jobs (1.99).
- Agency employees improperly benefiting financially from work they do for the Government (1.90).
- Agency employees in supervisory positions asking for donations from subordinate employees in connection with personal charitable activities (1.76).
- Agency employees improperly accepting payment for doing their Government jobs from people outside the Government (1.59).

These results indicate that, overall, employees do not perceive the incidence of unethical behavior to be high within their agencies. However, it should be noted that some of the more favorable ratings received for the behaviors listed above are related to behavior that, if it occurred, would likely be less visible to other employees, (e.g., accepting an illegal payment). Conversely, the less favorable ratings were received for behaviors that, when they occur, are likely to be more easily observed by other employees (e.g., misusing official time or property).

Exhibit 23: Ethical Culture Outcomes by Filing Status


- 39 -
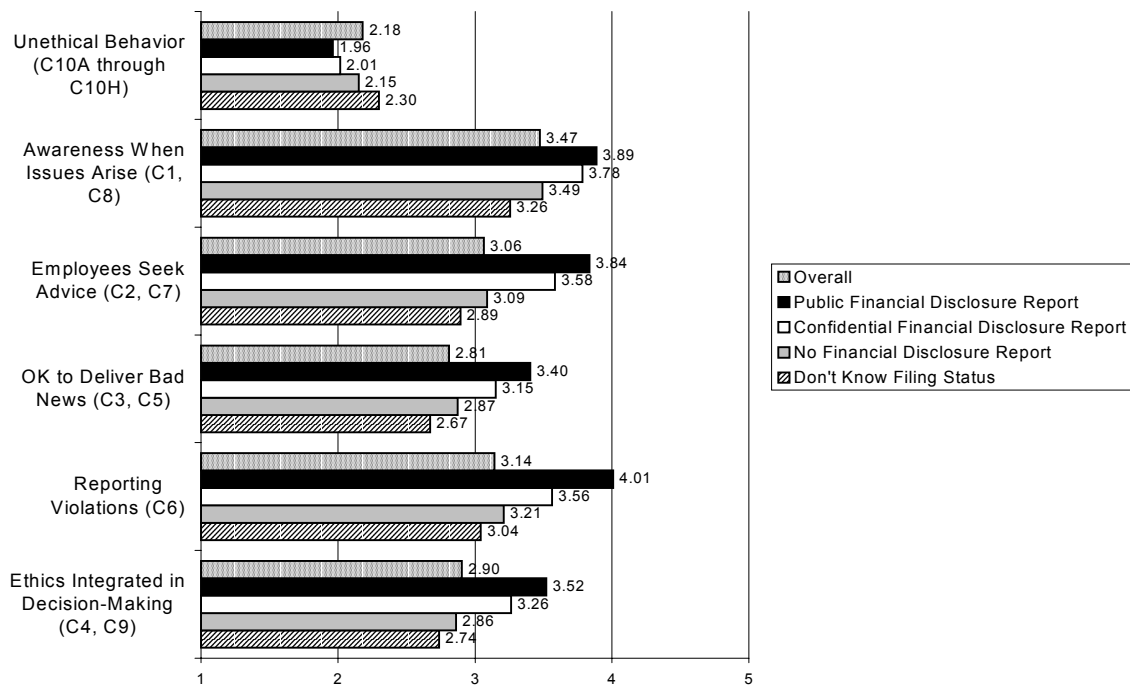
Public filers demonstrate the most favorable perception of outcomes within their agency, followed by confidential filers, non-filers and those who don't know their filing status. The largest differences by filing status appear for the Employees Seek Advice and Reporting Violations outcomes. The difference between the ratings of filers and non-filers is significant on the Unethical Behavior outcome scale, with non-filers and the "don't know" category perceiving a significantly higher incidence of unethical behavior than both categories of filers.

There are few differences on the outcome scales by length of employment with the Government. The only significant difference based on length of employment is on the Unethical Behavior Scale where filers with 10 to 20 years of experience perceive a higher frequency of unethical behavior than do employees with less than 10 years of experience with the Government.

There are no significant differences between the ethical outcome scale ratings between employees in the Washington, D.C. area and those working in other U.S. locations.

The difference in ethical outcome ratings based on supervisory status is consistent with other survey findings. Supervisors' ratings of all ethical outcomes are more favorable than those of employees who do not hold a supervisory position (see Exhibit 24).

Exhibit 24: Ethical Culture Outcomes by Supervisory Status
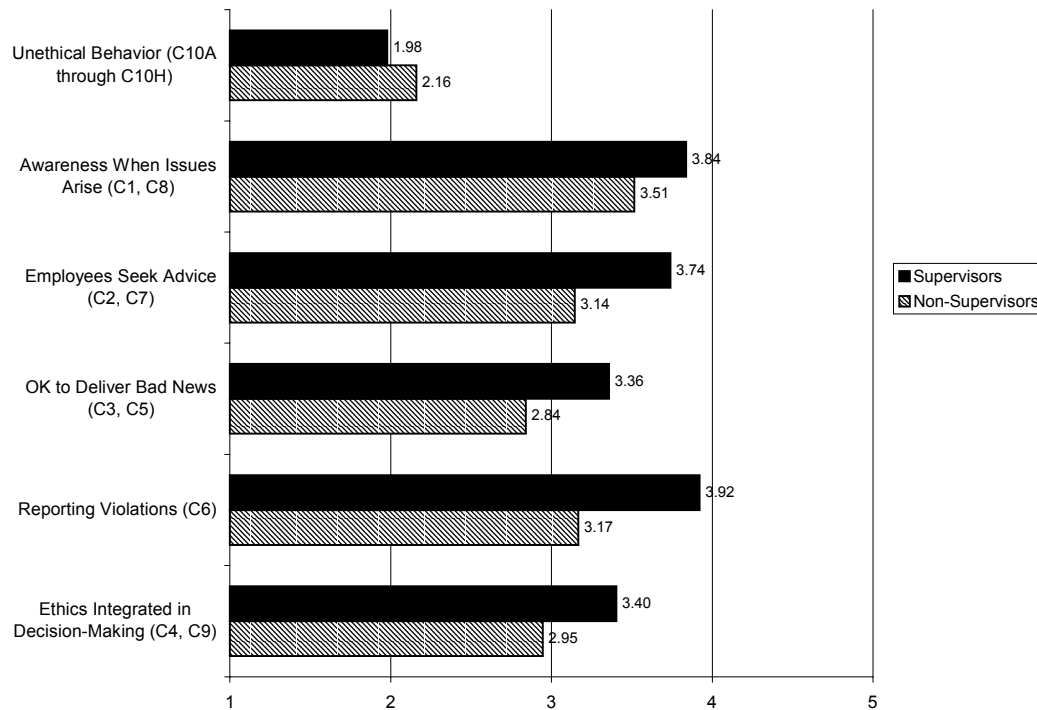
Relationship between Culture Factors and Outcomes

The study results show that culture factors and outcomes are related. For the purpose of interpretation, the strengths of the relationship between individual factors and outcomes are divided into three tiers, with Level 1 representing the top third, Level 2 the middle third, and Level 3 the bottom third. Exhibit 25 illustrates the relationships between the factors and outcomes. These relationships are important because they provide guidance to focus change efforts. By targeting factors that are strongly related to outcomes, resources and efforts can be more efficiently utilized to effect change.

Relationships for all factor-outcome combinations, with the exception of the relationships between factors and the Unethical Behavior outcome, are positive. This indicates that a higher factor rating corresponds to a higher outcome rating. The negative relationship between the Unethical Behavior and the factors indicates that higher ratings on ethical culture factors are associated with a lower perceived frequency of unethical behavior within the agency.

Exhibit 25: Relationship between Ethical Factors and Outcomes

	Unethical Behavior	Awareness When Issues Arise	Employees Seek Advice	OK to Deliver Bad News	Reporting Violations	Ethics Integrated in Decision-Making
Supervisory Leadership Attention to Ethics	-0.495	0.566	0.637	0.614	0.503	0.623
Executive Leadership Attention to Ethics	-0.463	0.516	0.617	0.586	0.518	0.658
Consistency Between Policies and Practices	-0.522	0.559	0.727	0.659	0.557	0.719
Open Discussion about Ethics	-0.493	0.546	0.730	0.646	0.544	0.684
Ethical Behavior Rewarded	-0.477	0.399	0.475	0.491	0.409	0.532
Follow Up on Reports of Ethics Concerns	-0.484	0.510	0.710	0.635	0.564	0.706
Efforts to Detect Violators	-0.466	0.505	0.626	0.558	0.514	0.686
Unethical Behavior Punished	-0.394	0.428	0.537	0.445	0.403	0.554
Unquestioning Obedience to Authority	-0.385	0.327	0.398	0.457	0.399	0.382
Fair Treatment	-0.498	0.465	0.593	0.578	0.489	0.614

 Level 1

 Level 2

 Level 3

Cells show Pearson Correlation Coefficient. All correlations are significant. The coefficients were ranked from strongest to weakest and divided into thirds. Level 1 (dark gray) represents the top third, Level 2 (light gray) represents the middle third, and Level 3 (white) represents the bottom third.

Relationships between each factor and outcome were assessed. The outcomes most strongly associated with multiple culture factors are Employees Seek Advice, Ethics Integrated in Decision-

making and OK to Deliver Bad News. These results indicate that programmatic changes that affect factor ratings would be expected to be associated with noticeable changes to these outcome ratings.

From the factor perspective, Supervisory Leadership Attention to Ethics, Executive Leadership Attention to Ethics, Consistency Between Policies and Practices, Open Discussion about Ethics, Follow-Up on Reports of Ethics Concerns, and Fair Treatment each demonstrate Level 1 relationships with three of the six ethical outcomes.

Ethics integrated in decision-making

As shown in Exhibit 25, seven ethical culture factors demonstrate the highest-level relationship with this outcome. Relationships with this outcome are of particular interest as this is one of two outcomes with an overall rating below the midpoint. The two strongest relationships are with Consistency between Policy and Practices and Follow-Up on Reports of Ethics Concerns. Employees who perceive consistency between ethics policies and the actions taken within their agencies are likely to rate the degree to which ethics are integrated into employee decision-making higher than are employees who perceive low consistency. The average agreement rating for the factor of consistency between policies and practices is 2.95, so there is definitely room for improvement with the potential to impact the integrated decision-making outcome.

Employees seek advice

The outcome scale measuring whether employees seek advice within the agency when ethical issues arise has one of the strongest relationships to the ethical culture factors. Seven of the ten relationships fall into the Level 1 category. The relationships between seeking advice and Open Discussion about Ethics, Consistency between Policy and Practices, and Follow-Up on Reports of Ethics Concerns are the strongest. These results indicate that employees who judge the ethical culture of their agency to be positive in terms of open discussion, consistency, and follow-up are more likely to have a positive perception of the outcome of employees seeking advice regarding ethical concerns. Conversely, negative perceptions of these factors would be associated with a perception that employees are less likely to seek advice when confronted with an ethical issue.

OK to deliver bad news

This outcome has the highest-level relationship with six ethical culture factors. The strongest relationships are with Consistency between Policies and Practices, Open Discussion about Ethics, and Follow-Up on Reports of Ethics. OK to Deliver Bad News was the outcome rated least favorably by executive branch employees overall, indicating that employees express disagreement with the statements that comprise the scale. As previously mentioned, the overall rating for the consistency factor falls below the midpoint, and whether the ethical culture includes an open discussion of ethics was the lowest-rated factor. These strong relationships between OK to Deliver Bad News and two lower-rated factor scales represent a key opportunity to affect this critical outcome by addressing these factors.

Awareness when issues arise

There are no Level 1 relationships between this outcome and the factors. However, this outcome does have a Level 2 relationship with six of the ten culture factors. The three strongest relationships with this outcome are with the factors Supervisory Leadership Attention to Ethics, Consistency between Policies and Practices, and Open Discussion about Ethics.

Reporting violations

This outcome has a Level 2 relationship with six of the ten culture factors. The strongest of these are Follow-Up on Reports of Ethics Concerns, Consistency between Policies and Practices, and Open Discussion about Ethics. These results show that employees consider it more likely that ethical violations will be reported when they feel the complaint will be pursued and are confident their agency's practices are consistent with the policies of the executive branch.

Unethical behavior

The relationship between the ethical culture factors (where higher ratings represent favorable perceptions) and the perceived frequency of Unethical Behavior (where lower ratings indicate favorable perceptions) is "negative." These results indicate that employees who have positive perceptions of their agency's ethical culture perceive a lower incidence of unethical behavior. The strongest of these relationships are with the factors measuring Consistency between Policy and Practices, Fair Treatment, Supervisory Leadership Attention to Ethics, and Open Discussion about Ethics. In other words, consistency of ethics practices, both in relation to the policies and across personnel levels, is associated with a lower perceived frequency of unethical behavior. Also, the more employees believe supervisors to be attentive to ethics and the agency culture to encourage the discussion of ethics-related issues, the lower they perceive the incidence of unethical behavior to be.

Relationship between Program Elements and Culture Outcomes

The study results show that statistically significant relationships exist between selected program elements and the culture outcomes. The relationships between program elements and the outcomes are classified in the same manner as the relationships between factors and outcomes and are shown in Exhibit 26. The value of these relationships lies in providing a link between the tangible elements of the program (e.g., familiarity with the program and usefulness of training) and the ultimate goal, a strong agency ethical culture.

The outcomes most strongly associated with multiple program elements are Employees Seek Advice and Ethics Integrated in Decision-Making. These outcomes demonstrate the strongest relationships with four of the five program elements explored for this analysis.

Exhibit 26: Relationship between Program Elements and Outcomes

	Unethical Behavior	Awareness When Issues Arise	Employees Seek Advice	OK to Deliver Bad News	Reporting Violations	Ethics Integrated in Decision-Making
A1. How familiar are you with your agency's ethics program?	-0.201	0.367	0.408	0.256	0.291	0.434
A3. How familiar are you with the rules of ethical conduct for executive branch employees?	-0.186	0.360	0.397	0.291	0.310	0.362
A4. How useful are the rules of ethical conduct in guiding your decisions and conduct in connection with your work?	-0.208	0.362	0.418	0.295	0.332	0.428
A12a. In general, how useful was the ethics training you received... In making you more aware of ethics issues in connection with your work?	-0.181	0.408	0.381	0.258	0.273	0.459
A12b. In general, how useful was the ethics training you received... In guiding your decisions and conduct in connection with your work?	-0.207	0.381	0.372	0.281	0.280	0.440

|	
[dark gray]	Level 1
[light gray]	Level 2
[white]	Level 3

Cells show Pearson Correlation Coefficient. All correlations are significant. The coefficients were ranked from strongest to weakest and divided into thirds. Level 1 (dark gray) represents the top third, Level 2 (light gray) represents the middle third, and Level 3 (white) represents the bottom third.

Ethical outcomes related to frequency of training

Employees who report receiving regular training also report more favorable perceptions of culture than do employees receiving training less frequently. Exhibit 27 displays this relationship for each category of frequency of training. This result provides strong support for the argument that more training is related to a favorable perception of agency ethical culture.

Exhibit 27: Relationship between Receiving Training and Culture Outcomes
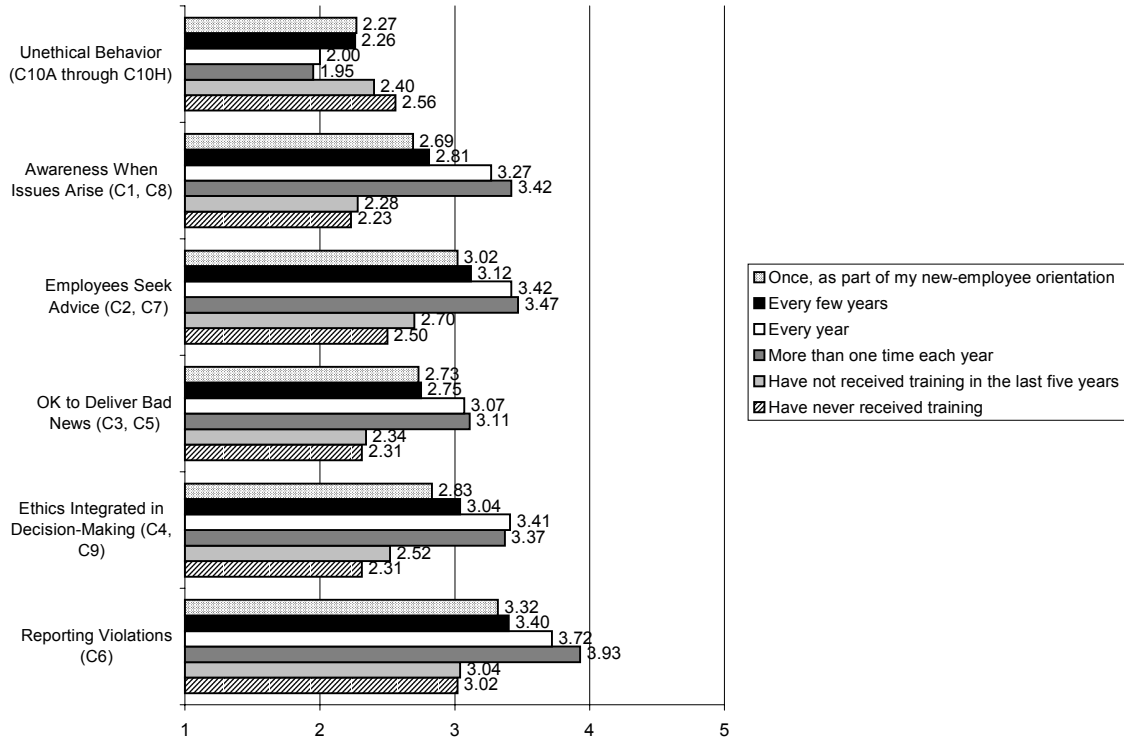
Ethics integrated in decision-making

As illustrated in Exhibit 26, this outcome is strongly related to four of the five program elements. This outcome is also one of the lower-rated outcomes (overall rating of 2.90). The strength of these relationships represents a potential for targeted improvement efforts. The strongest relationships with this outcome are with questions that examine the usefulness of training for making employees aware of ethics issues and the usefulness of training for guiding decisions and conduct in connection with their work.

Employees seek advice

The relationships between this outcome and the majority of the program elements (4 of 5) are classified as Level 1, though these relationships are not as strong as those found between program elements and integrating ethics in decision-making. This outcome is most strongly related to the usefulness of rules of ethical conduct in guiding decisions and conduct. The next strongest relationship with this outcome is familiarity with the employees' agency ethics program.

Awareness when issues arise

The relationship between awareness when issues arise and the program elements is not as strong as the relationships between the program elements and other outcomes. There are two Level 1 relationships with the usefulness of training program elements. However, these relationships are not as strong as those found between the usefulness of training program elements and integrating ethics in decision-making. The strength of these relationships does not suggest that changes to the program elements would have a significant impact on the awareness outcome, but the relationships do reinforce the trends regarding the relationship between training and culture outcomes.

Reporting violations

There are three program elements with Level 2 relationships to this outcome. The other relationships are Level 3. The Level 2 relationships are between awareness of employees' agency ethics program, familiarity with the rules of ethical conduct, and usefulness of the rules for guiding conduct. These results support the assertion that awareness does contribute to positive outcomes.

OK to deliver bad news

Only two program elements are associated at Level 2 with this outcome—familiarity with the rules of ethical conduct and usefulness of the rules for guiding decisions. The remaining relationships are at Level 3, suggesting that this outcome would be less influenced by program changes.

Unethical behavior

The relationships between this outcome and the program elements are classified into the lowest third. The relationships indicate a significant, but not strong, negative relationship between the ratings of program elements and the perception of the frequency of unethical behavior. The direction of these relationships is as expected, with more favorable ratings on program elements being associated with perceptions of a lower frequency of unethical behavior.

Qualitative Results

Two open-ended questions allowed respondents to provide detailed information and opinions regarding barriers and enablers to compliance with ethics policies:

1.   What, if anything, makes it difficult for employees to comply with ethics policies?
2.   What, if anything, would further assist employees to act ethically in connection with their work?

The results from each question are presented and discussed below.

Barriers to complying with ethics policies

As shown in Exhibit 28, factors related to rules and policies are the most frequently cited barriers to compliance with ethics policies, with 25% of all open-ended responses falling into this category. Many respondents believe that the complexity of the rules impedes compliance. Others say that certain policies simply are impractical, making it difficult for employees to follow them. Another important barrier to complying with ethics policies, cited in 22% of the responses, is lack of training, knowledge or education. Respondents indicated that when individuals do not understand what constitutes an ethics violation, they are unable to comply with the policies.

Exhibit 28: Factors that Make it Difficult for Employees to Comply with Ethics Policies
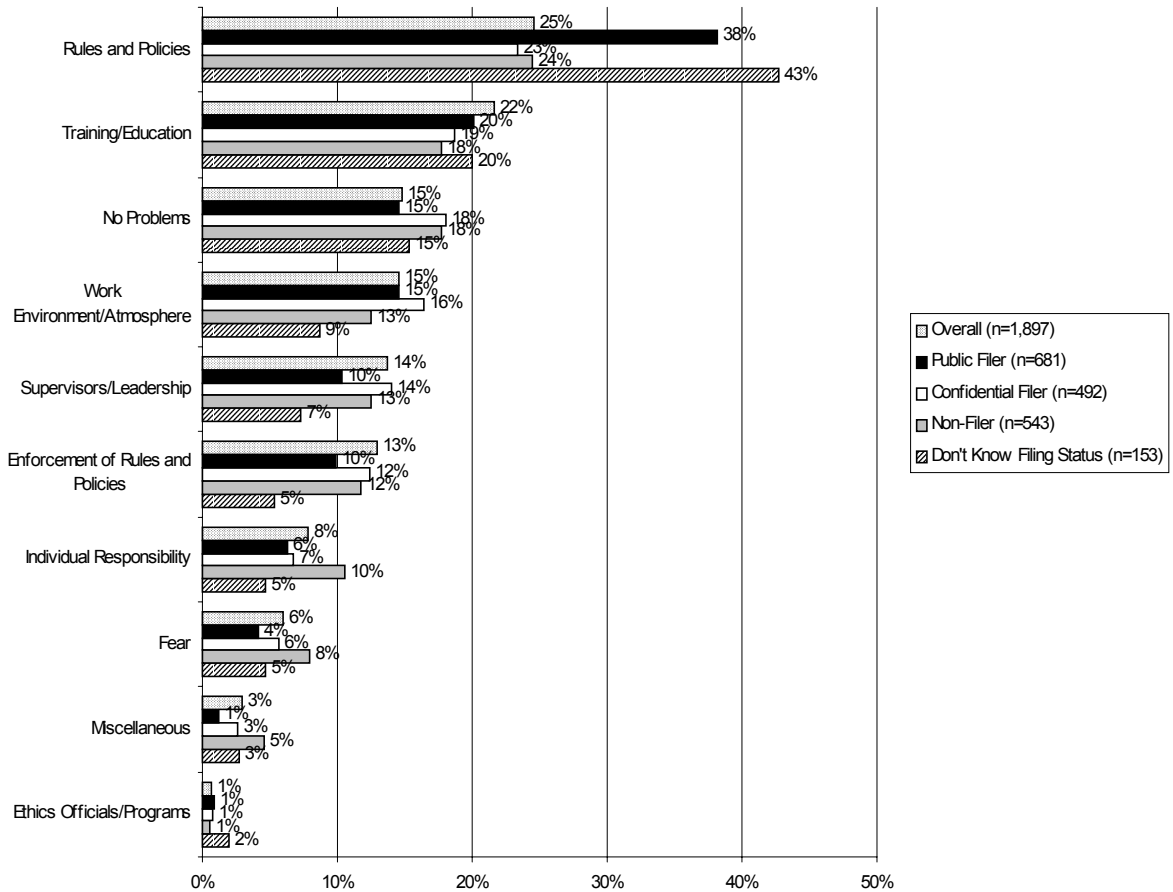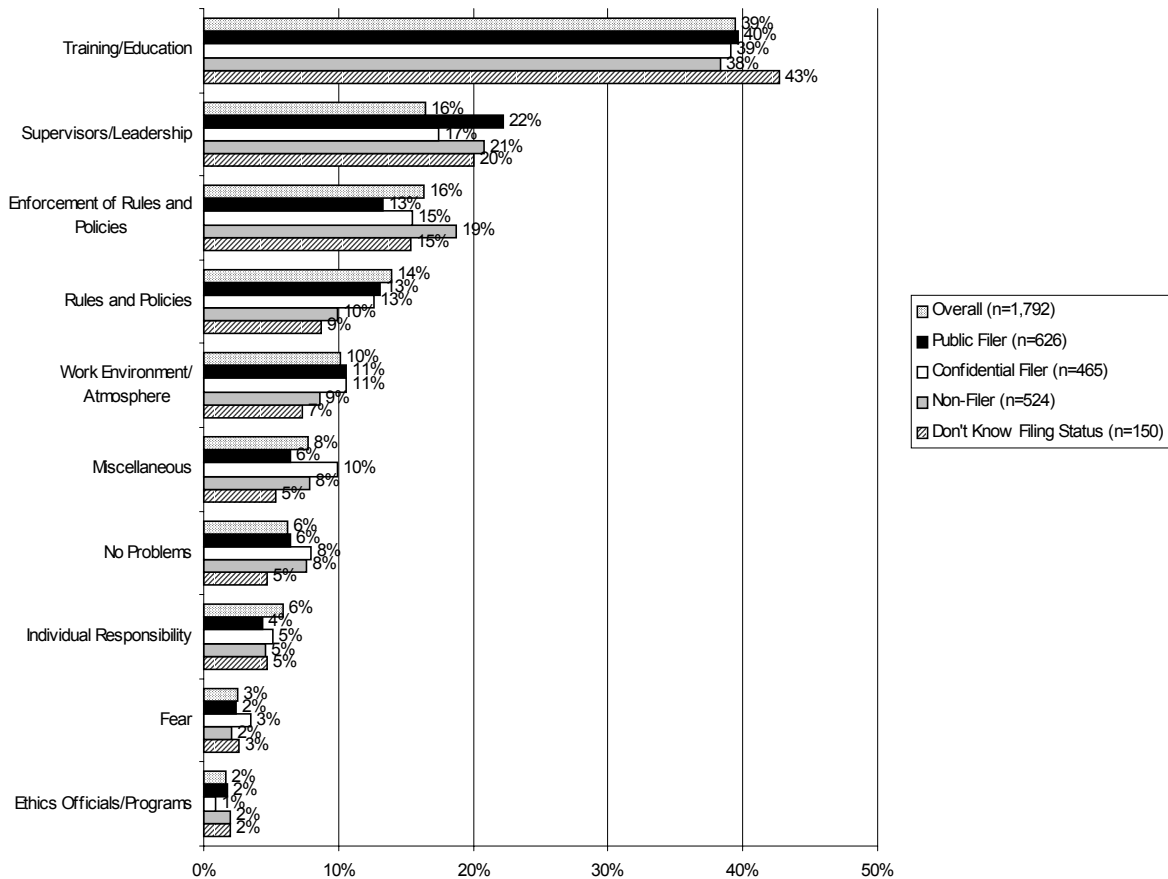

Fifteen percent (15%) of the responses indicated that a barrier to compliance was related to work environment or atmosphere. These comments describe how peer pressures, witnessing others break rules, and temptation to use Government resources for personal use can lead to disobeying policies. About 14% of the responses indicate that supervisory or leadership behaviors make complying with ethics policies difficult. These responses indicated that supervisors sometimes set a bad example by not complying with ethics policies and fail to take action when a policy is violated by someone else. Failure to enforce the policies was reported as a barrier by 13% of those responding to this question. These employees reported that there is no way they will "get caught," and therefore have little incentive to follow the rules.

Individual responsibility is the theme among 8% of the responses. Respondents believe that personal gain simply outweighs the desire to do the right thing for some employees. A small percentage (6%) of the respondents believes fear of reprisal makes it difficult to comply with ethics policies. Most of these comments refer to fear of reporting an ethics violation that they observe someone else commit. Less than one percent of the responses indicated that the ethics officials and programs make compliance difficult.

Enablers that assist employees to act ethically

When asked what would further assist employees to act ethically in connection with their work, training and education were cited far more frequently than any other type of response. As shown in Exhibit 29, 39% of all respondents believe that further training and education would make a difference in the behavior of employees.

Exhibit 29: Factors that Would Further Assist Employees to Act Ethically

Increased supervisory attention to ethics is noted in 16% of the responses. Respondents believe that supervisors need to lead by example, as well as take action when infractions are observed. Sixteen percent (16%) of the respondents also indicate that better enforcement of rules and policies is needed to foster ethical behavior among employees.

Only 14% of the respondents believe that the rules themselves need to be changed. Respondents suggest clearer, specific language that leaves no ambiguity regarding the appropriate way to handle common situations. Many respondents also believe that rules should be more consistent with those followed in the private sector. About 10% of the respondents indicate that work atmosphere changes would result in greater compliance with ethics policies. Some examples of these suggested changes are more frequent open discussion, rewards for employees who take ethics seriously, and greater respect and trust among coworkers.

Six percent (6%) of the respondents believe there is nothing needed to further assist employees to act ethically. Individual responsibility is mentioned by 6% of the respondents. The comments in this category often indicate that increased accountability for personal behavior is necessary to encourage ethical behavior. About 3% of the respondents believe that alleviating the fear of reprisal through anonymous reporting channels would make a difference in ethical behavior. About 2% of those responding to this question believe that it would be helpful to make changes to the ethics program; for example, increase the number of ethics officials or have on-site ethics counselors.

CONCLUSIONS AND RECOMMENDATIONS

The Executive Branch Employee Survey 2000 has provided evidence of the effectiveness of the executive branch ethics program, and of a basically sound ethical culture within the executive branch agencies. Analysis of the data from the study generated several conclusions that will be valuable to OGE and other Government ethics officials for refining the program and enhancing program communication efforts. These conclusions and related recommendations, where applicable, are discussed below.

Program awareness is high, but it could be better

Across the executive branch, program awareness is high. Study results indicate that employees are familiar with the ethics program, are aware that there are officials in their agencies with responsibility for addressing ethics concerns, and are familiar with the Rules of Ethical Conduct. These are positive results, especially when one considers that each of these statistics is higher for individuals with financial disclosure reporting obligations, who are the primary targets of the Government program and are those that receive the most ethics training. At this basic level, the Government ethics program is achieving an important objective—promoting awareness of and familiarity with the ethics program and various ethics resources.

Despite this finding, awareness could still be improved. The best evidence is seen in the pattern of behavior for employees with ethics questions. Study results indicated that overall, nearly 25% of employees have sought advice for an ethics question over the past five years and that forty percent (40%) of those individuals did not seek advice from their ethics officials.

The awareness gap, however, is more clearly revealed in the following results. Of those individuals who sought advice but did not seek advice from ethics officials, 37.3% did not know there was an ethics staff and 9% reported that there is no ethics staff. In addition, among employees who did not seek advice from any source, 10.5% indicated they did not know whom to ask. Combined, these results indicate that nearly 140,000 employees had a need for ethics program services but did not interact with ethics officials and, by extension, the ethics programs.

The implications of these results are significant, given that 140,000 employees represent approximately 12% of the survey population. The program should be applauded for serving the needs of most employees, but the failure to reach the remaining group represents a risk to the Government. Public trust in Government can be easily eroded by even a few incidents—even if logically the public knows that the vast majority of employees behave ethically and according to standards. To reduce its risk, the Government should explore ways to expand communication to employees regarding the ethics program and resources to ensure that fewer employees have needs that are not addressed.

Frequency of training is related to the perception of a positive ethical culture

Study results indicated that frequency of training was directly related to stronger perceptions of ethical culture and outcomes. Employees who received training once a year or more than once a year had significantly higher perceptions of ethical culture and outcomes than did those who received training less frequently. Fortunately, nearly 50% of employees indicated that they received some type of

training (e.g., classroom instruction and direct communications) at least once a year. The finding that training is directly related to the perception of ethical culture represents a significant opportunity for the Government to improve the perception of ethical culture and achieve desired outcomes by providing additional ethics training. The Government ethics program currently bases its training program on an employee's financial disclosure reporting responsibilities, which reflect an individual's job responsibilities. Public and confidential filers are required to receive training annually and all employees are required to receive ethics training as part of their new employee orientation. This approach appears to create perceptual differences between filers and non-filers. Therefore, these results suggest that non-filers would benefit from additional training. This additional effort would also increase awareness of the program and available resources.

Supervisors are a key factor in creating and maintaining an ethical culture

If we accept that additional training resources would benefit the Government and the employees' perception of ethical culture, then the question of where to target this training becomes critical. Two findings strongly suggest that supervisors should be targeted for increased training. First, supervisory attention to ethics has strong relationships with program outcomes. Simply put, when employees believe that their direct supervisors are genuinely concerned with maintaining an ethical environment and supporting ethical performance, their positive perceptions of the organizational culture and other employees' behavior also increases. Second, an unanticipated finding of the study is that supervisors (like filers) tend to have a more positive perception of cultural factors and outcomes than do non-supervisors. Since 72% of supervisors say they receive training annually, there is reason to believe that training is, to some degree, responsible for their more positive perceptions. Therefore, if supervisors were targeted for increased training, and were trained particularly to increase their awareness, to openly discuss ethics issues and integrate ethics in decision-making, to refer employees to the correct resources, and to reassure employees that it is OK to deliver bad news, then it might be hypothesized that employees' positive perceptions of their agencies' cultures would increase.

Many supervisors currently receive training because they have job responsibilities that require them to file financial disclosure reports. However, study results indicate that 12% of respondents who indicated they were supervisors also reported that they were not required to file a financial disclosure report. Although supervisors who do not file represent a fairly small share of the population (less than 5%), they do account for approximately 56,000 executive branch employees. The current practice of directing and evaluating training compliance based on individual filing status could be enhanced by considering allocation of training resources according to an individual's supervisory role. This would allocate important resources for personnel in the best position to influence behavior and outcomes—supervisors.

Executive leadership also plays an important role

Ethics programs begin at the top. If employees do not perceive that executive leadership pays attention to ethics, then they are less likely to perceive that a strong ethical culture exists. Study results showed that executive leadership attention to ethics is directly related to employees seeking advice, integrating ethics into decision-making, and the perception that it is OK to deliver bad news in the workplace. The only culture factor with stronger ties to outcomes is supervisory leadership. The implications of this are clear—if leaders do not actively promote and visibly endorse ethics programs and ethical behavior, then desired outcomes will be difficult to achieve.

Unethical behavior is perceived by employees as infrequent

Overall, employees perceive the frequency of unethical behaviors within their agencies to be relatively low. The unethical behaviors targeted in the Survey relate specifically to the Standards of Ethical Conduct and conflict of interest statutes. They do not relate to some of the more commonly thought-of types of unethical employee behavior like lying or sexual harassment. Among the specific

behaviors examined, employees perceived that misuse of Government time or resources occurred most frequently. Conversely, it was perceived that employees accepting payment for doing their Government jobs from people outside the Government rarely occurred. Financial disclosure report filers and supervisors have the most positive perceptions, indicating a lower perception that unethical behavior occurs.

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