



# Measuring Ethical Climate with the Integrity Thermometer



[kpmg.ch/compliance](http://kpmg.ch/compliance)

# Measuring Ethical Climate with the KPMG Integrity Thermometer

For many organizations, integrity is an important value yet proves to be a very challenging topic in daily practice. Companies often struggle with upholding the standards they set, given market pressures and business objectives. In order to manage integrity, it is essential to obtain clear insight into the trends in the behavior of employees. With respective insight it is possible to formulate answers and make integrity and compliance management tangible.

## The importance of measuring integrity and compliance culture in your organization

Measuring integrity will provide you with insight on the employees' perception to what extent undesirable behavior takes place, what their attitude to such behavior is and what leads employees into behaving desirably or undesirably in the negative alternative. It will give you answers on the following questions:

- Which forms of misconduct occur within our organization? And to what extent?
- What are the organizational and behavioral causes of undesirable conduct? And how are these causes related to each other?
- How can we develop and conduct effective trainings and awareness activities?
- How do we report on our ethical climate?

The KPMG Integrity Thermometer allows your organization to develop respective measures and programs and to monitor their effectiveness.

## How can KPMG help?

The KPMG Integrity Thermometer is a concise, tried and tested questionnaire among employees, which is available in digital form as well as in hardcopy. The advantage of such questionnaire-based research is that it is fast and efficient. Furthermore, statistical analyses can be produced in a way that cause and effect can more easily be identified.

In addition, the quantitative results of the assessment can be compared with other departments within your organization.

## The underlying theoretical model of the KPMG Integrity Thermometer

The KPMG Integrity Thermometer is based on an academic model about the causes of unethical conduct. It was created by compiling and analyzing a large number of cases that took place in daily business practice. This produced eight organizational qualities, which are outlined in the model below.

Each quality of this model is translated into a number of questions. The questions are scientifically tested for understandability, ambiguity, distinctiveness and validity. The questions can be customized depending upon the specific situation and the client's individual needs.

## The theoretical model of the Integrity Thermometer

- **Clarity:** The degree to which rules, standards and procedures with regard to ethical conduct are accurate, complete and easy to understand for every employee.
- **Role modeling:** The degree to which management sets a good example for the organization and its employees.
- **Enabling environment:** The degree to which business objectives and organizational targets correspond to predetermined values and norms.
- **Support of employees for integrity:** The degree to which employees endorse ethical conduct.
- **Transparency:** The degree to which ethical or non-ethical conduct and the effects thereof are visible.
- **Openness to discuss dilemmas:** The degree to which employees can discuss dilemmas.
- **Comfort to report misconduct:** The degree to which employees voice out about misconduct.
- **Enforcement:** The degree to which ethical conduct is rewarded and misconduct sanctioned.



### Why measuring integrity?

- To know and to understand
- To develop measures and programs
- To monitor the effectiveness of measures and programs
- To guarantee compliance
- To satisfy stakeholders and to comply with laws and regulations

### Why involve employees?

- To underscore the importance of integrity
- To ensure buy-in from employees
- To create awareness and momentum
- To generate important and valuable information
- To understand the perceptions and behavior of employees

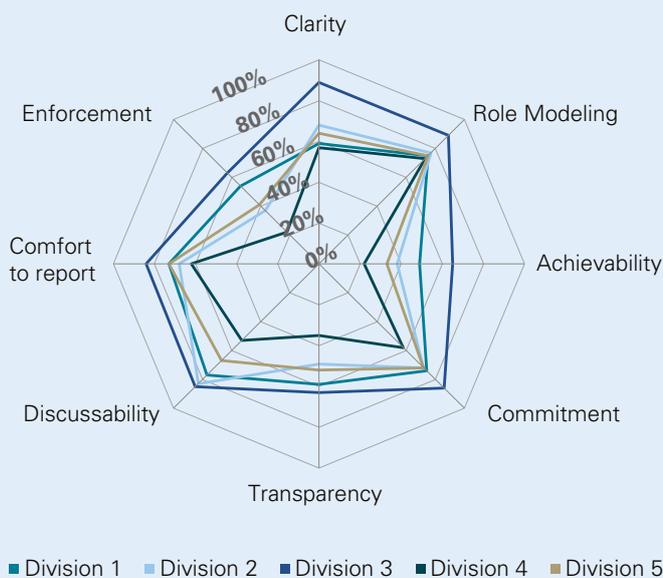
### Why use a survey?

- It is efficient
- It ensures respondent's anonymity
- It enables statistical analysis
- It enables benchmarking:
  - With other departments
  - With other organizations
  - Over a period of time

### The KPMG Integrity Thermometer will:

- Give you an overview and true picture of the level of integrity within your organization.
- As well as a fast and easy method to measure inconsistencies between official policies (company procedure) and what is really happening (company culture).
- Provide you with benchmark opportunities according to different departments, targets set or scores of previous years.
- Create awareness within your organization.
- Send a strong signal from management fulfilling its role model and increasing the staff's confidence in the measures taken to promote integrity.
- Provide you with specific and action-based recommendations on how to improve the level of integrity within your organization.

### Case Study: The Integrity Thermometer as a key to insight



A company had trouble with identifying the real "ethical content" of its organization. There were doubts about the extent to which policies were adhered to in daily practice.

Based on the KPMG Integrity Thermometer and with a response in excess of 50%, KPMG sketched the organization's climate on a number of points and identified the respective risk areas. The results allowed the management to take specific measures in specific parts of the organization.

A second measurement of the ethical climate revealed that the difficulties in the work are now more easily recognized and more efficiently responded to.

# Why KPMG?

- **Experience:** KPMG has experience with the Integrity Thermometer since 1995. The questionnaire has been developed by KPMG based on academic research and has already been deployed all over the world with many different organizations. The questions in the survey have been academically tested and steadily improved so that reliable scales have been achieved.
- **Benchmarking and customization:** The questionnaire can be applied to every organization.
- **Action oriented:** The integrity profile that will be provided for your organization can very easily be used to develop practical interventions. The results of the KPMG Integrity Thermometer survey thus give you information on what specific measures and programs for improvement can be taken.
- **Confidential:** Since KPMG performs the survey as an independent third party, employees feel more comfortable sharing confidential information. KPMG is able to ensure the confidentiality of the data and will respect privacy legislations at all times. The answers of the individual employee cannot be identified in the final report.



## Contact

### KPMG AG

Räffelstrasse 28  
PO Box  
8036 Zurich

Esplanade de Pont-Rouge 6  
PO Box 1571  
1211 Geneva 26

### Anne van Heerden

Partner  
Head of Forensic  
Switzerland

+41 58 249 28 61  
annevanheerden@kpmg.com

### Eric Blot

Director  
Forensic  
Geneva

+41 58 249 37 24  
eblot@kpmg.com

## [kpmg.ch/compliance](https://www.kpmg.ch/compliance)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received, or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The scope of any potential collaboration with audit clients is defined by regulatory requirements governing auditor independence. If you would like to know more about how KPMG AG processes personal data, please read our Privacy Policy, which you can find on our homepage at [www.kpmg.ch](https://www.kpmg.ch).

©2020 KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity. All rights reserved.