

The Pennsylvania State University Values & Culture Survey

University-Wide Findings

2018



Executive Summary

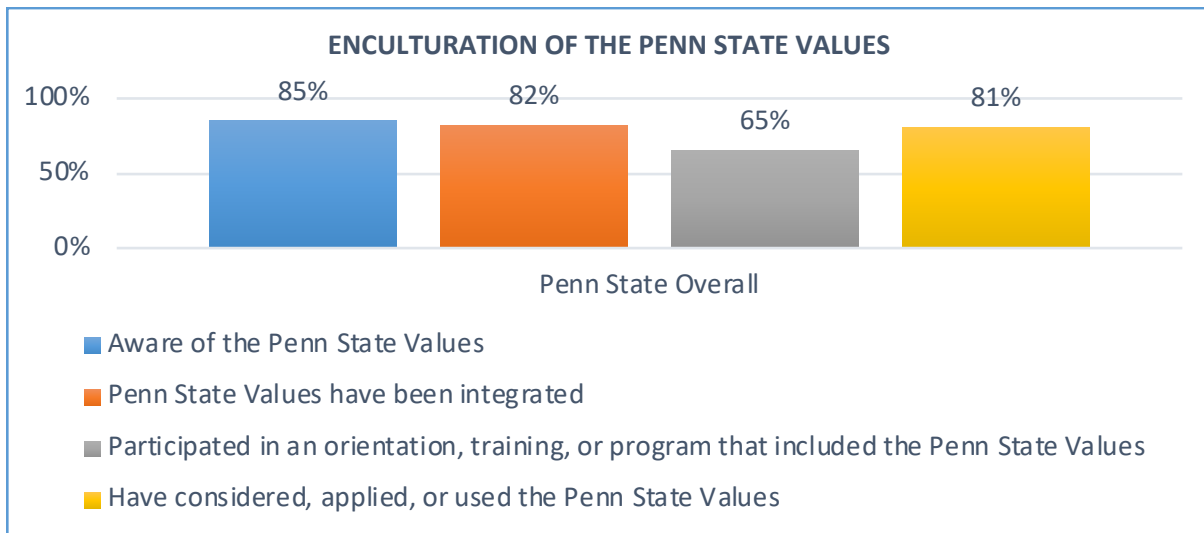
Executive Summary

The purpose of The Pennsylvania State University Values & Culture Survey was to further Penn State’s understanding of its culture and the values that are commonly held among its faculty, staff, undergraduate and graduate students. The survey was fielded from October 4 through October 31, 2017. A total of 14,012 members of the Penn State community participated in the effort, yielding a university-wide response rate of 12%. Participant responses were compared to results from a similar survey conducted by the Penn State in 2013. This summary addresses key findings for the University overall.¹

Note: ECI conducted statistical tests on several measures in order to determine if changes between 2013 and 2017 were statistically significant. Changes that were statistically significant are noted with “^^” in graphs throughout the report.²

Enculturation of the Penn State Values

In 2013, Penn State utilized the survey to seek input from its community to select the six core institutional values that now serve as the foundation for its overall strategic plan. The Penn State Values are *Integrity, Respect, Responsibility, Discovery, Excellence, and Community*. Since 2013, Penn State has undertaken several university-wide initiatives to educate its members about the core values, and to define each value based on the interests of various stakeholders. The data reveal that a majority of survey participants expressed both awareness and integration of the values.

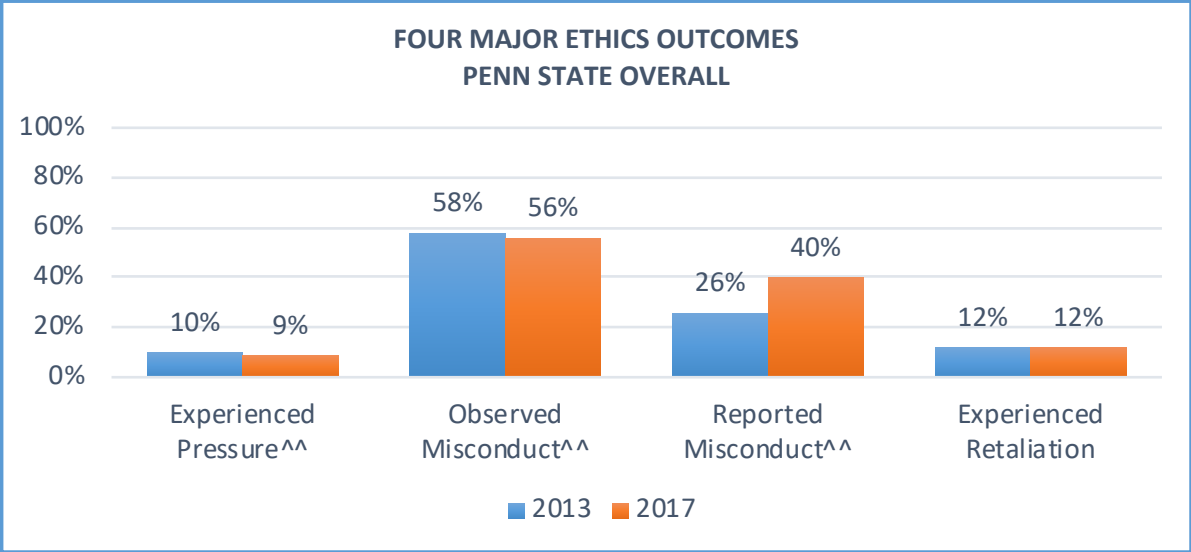


¹ Data tables with summary statistics for each survey question were provided to the Penn State. The purpose of this report is to highlight high-level themes and areas for attention.

² Analyses comparing the demographics of those who responded to the survey with population data from the University Budget Office indicated that the respondents were representative of the University. Please see “Summary of the Survey Process” for more detailed information about representation and non-response bias.

The Four Major Ethics Outcomes: Pressure, Observed Misconduct, Reported Misconduct and Retaliation Overall

Overall, there was improvement across three of the four major ethics outcomes that are expected to change when an ethics and compliance (E&C) effort is effective. The data reveal that when compared to 2013, survey participants experienced slightly less pressure to violate University policies or the law, observed fewer instances of misconduct within the last 12 months, and reported misconduct at substantially higher rates. The rate of retaliation against those who reported remained consistent between 2013 and 2017.



The Impact of the PSU Values – Reduced Pressure, Observed Misconduct and Retaliation

The data show that the University has largely succeeded in educating community members about the Penn State Values. Specifically, there is substantial evidence of a strong and positive relationship between the embodiment of the Penn State Values and three of the four outcome metrics that are indicative of the well-being of an organization from an ethics perspective. Participants who agreed that stakeholders in their primary location embodied four or fewer of the six PSU values were compared to participants who agreed that at least five values were embodied. Favorable results were observed when at least five values were embodied.

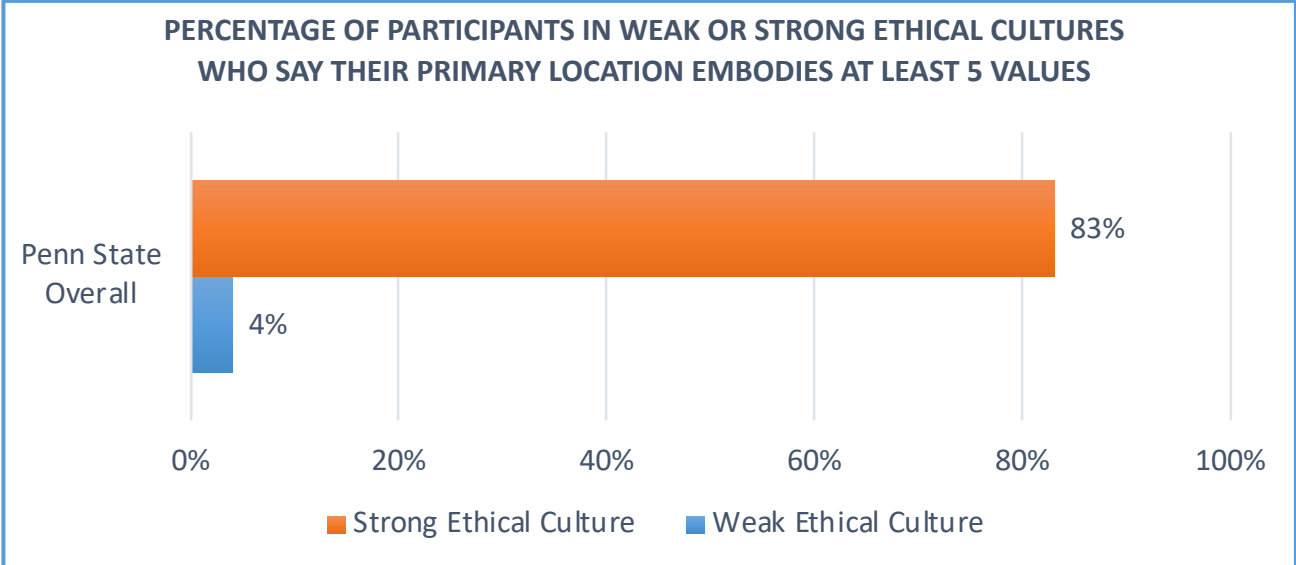
Participants were:

- 64% less likely to feel pressure to commit violations of policy or the law;
- 38% likely to observe misconduct; and
- 66% less likely to experience retaliation for reporting.

A Strong Ethical Culture Drives the Embodiment of Values

There is a strong association between a participant’s perception of the ethical culture at Penn State and the extent to which stakeholders in their primary location embody the Penn State Values. The data reveal that when members of the Penn State community demonstrate certain Ethics-Related Actions (ERAs), their respective campus, college or unit demonstrates engagement with the Penn State Values. Participants were asked to assess the ERAs of a different members throughout the Penn State community, including—but not limited to—the President, Provost, VP’s and other University leaders, their Department Head or Director and their peers.

On average, participants who said that they work/live in strong ethical cultures were 16 times more likely (83% vs 4%) than those in weak cultures to say that their primary location embodies at least five of the Penn State Values.



Measuring Change between 2013 and 2017

Program Awareness

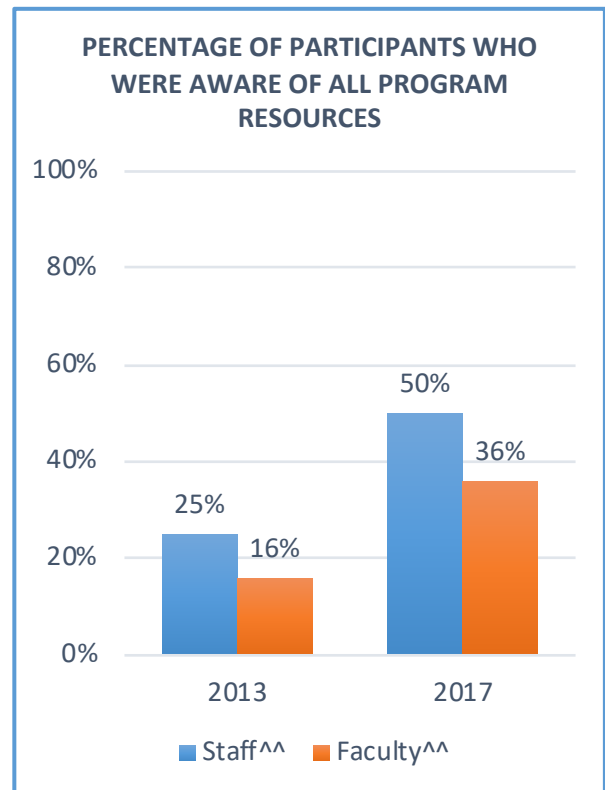
Beginning in 2014, the University implemented a range of training programs designed to increase awareness and utilization of E&C resources. Specifically, the University's Office of Ethics & Compliance developed an Annual Compliance Training (ACT) Program in order to ensure that all employees were informed about the availability of E&C resources.

Substantial progress has been made at the University with regard to community members' awareness of the availability of E&C resources, particularly among faculty and staff. The data reveal that staff were 100% more likely to be aware of all program resources, while faculty were 125% more likely to be aware of all resources.

Specifically, the 2017 survey asked all participants if they were aware of the following resources:

- Stated policies regarding E&C;
- Orientation or training on E&C;
- A resource to obtain advice;
- Evaluation of ethical conduct compliance as part of performance assessments;
- A means to confidentially or anonymously report wrongdoing; and
- A formal process to discipline those who violate University policies.

Much of the improvement among faculty and staff can be attributed to improved awareness of evaluation of ethical conduct. In 2013, 27% of faculty and 39% of staff were aware of the practice, while in 2017, 47% of faculty and 67% staff said they were aware of the practice.³



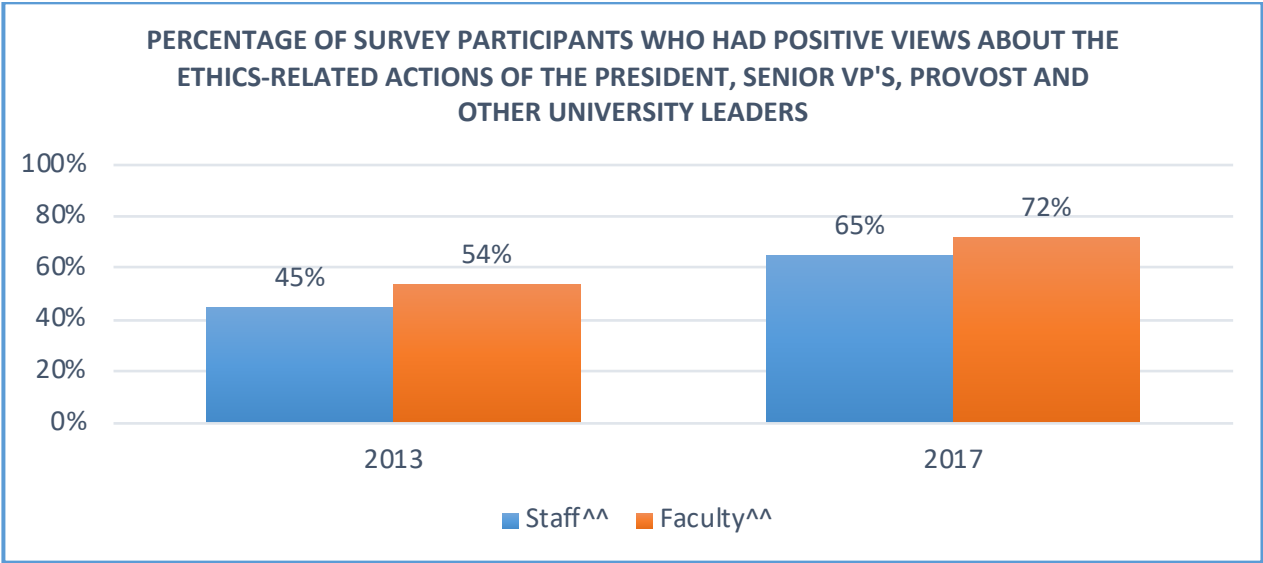
³ There were several differences between the program resources questions in 2013 and 2017. In order to compare the two survey years, only resources that were asked about in both years were included as a part of this analysis. Below is a summary of those resources that were excluded from each group's analysis. Staff: All resources were used; Faculty: stated policies and orientation were excluded; Undergraduate students: evaluation of ethical conduct and orientation were excluded; Graduate students: stated policies, evaluation of ethical conduct and orientation were excluded.

Leadership & Commitment to Ethics

Alongside program awareness, perceptions of various leaders’ commitment to ethics improved substantially between 2013 and 2017. Survey participants assessed leaders’ demonstration of the following ERAs⁴:

- I. Senior administrators talk about the importance of ethics and doing the right thing;
- II. I trust that senior administrators will act with integrity and responsibility;
- III. Senior administrators would be held accountable if caught violating University policies;
- IV. Senior administrators act as good role models of ethical behavior; and
- V. Senior administrators support employees in following University policies.

There were improvements across all four groups of participants with the largest gains again occurring among staff and faculty between 2013 and 2017.



Conclusion

Over the past four years, Penn State has undertaken many initiatives to strengthen the culture (and subcultures) of the institution. Among its activities, the University has revised, defined, and communicated its values; established and promoted the University’s Office of Ethics & Compliance; strengthened the reporting process; and implemented several mandatory training initiatives, including an Annual Compliance Training (ACT) Program. The results of the 2017 Values & Culture Survey demonstrate that these efforts have had a positive effect.

⁴ Unlike the 2013 survey, the 2017 survey asked survey participants to address the ERA’s of six distinct groups.⁴ In order to make a comparison between the two survey years, only those 2013 participants who selected “President and VP’s” as senior administrators were compared to responses to the “The President, Provost, VPs and other University leaders” group from the 2017 survey.

Not surprisingly, some of the measures taken in 2013 did not improve or exhibited marginal improvement. Yet none of these indicators worsened. The areas where change has not yet taken place include overall levels of observed misconduct; retaliation for reporting wrongdoing; and satisfaction with the reporting process. This is likely a reflection of the early implementation of an E&C program. It takes time for some positive changes to occur.

Overall, based on ECI's research and experience with other organizations, it is our view that Penn State should be proud of the progress it has made over the past four years.

Suggested Next Steps:

ECI's research over the past two decades has shown that many of the positive aspects of a culture can be strengthened, and challenges raised by community members can be eased through a concerted effort to identify, promote, and reinforce the University's values. ECI therefore offers the following suggestions for the University to consider regarding next steps.

1. Sustain Awareness, Integration, and Embodiment of the Penn State Values

In addition to the positive gains in awareness and embodiment of the Penn State Values, the data show that the degree to which a college, campus or unit embodied the values was associated with the strength of the ethical culture at that location. The University should continue to emphasize the Penn State Values and their role as a pillar of the University's mission. The values should be consistently and regularly communicated to remain in the forefront of daily decisions and actions, especially through the academic experience.

2. Increase Awareness of Program Resources

Penn State should continue to educate faculty, staff, and students about the different E&C resources that are available to them. While there has been improvement, a significant portion of participants (29%) were not aware of a resource where they can obtain advice about E&C issues. Staff (82%) were the group most aware of a resource to obtain advice, which is likely the result of the training and communications efforts of the past four years that were directed towards them as a group. Future training efforts should be directed towards those groups who remain less aware of the resources that are available.

3. Perpetuate Senior Leaders' Ethics-Related Actions

One of the most encouraging areas of growth over the past four years pertains to participant perceptions of senior leaders and their commitment to integrity. ECI's research has shown that the "tone from the top" has a significant impact on stakeholders' perceptions of culture, and on conduct throughout the organization. In order to maintain its current commitment to integrity, ECI suggests that the University implement a system to hold leaders accountable for demonstrating ERA's. The most effective means of doing this is

to introduce performance metrics on ethical leadership as a part of the formal evaluation of individuals who are in senior-level positions.

4. Equip Supervisors to Receive Reports of Wrongdoing

Consistent with findings in 2013, faculty and staff were most likely to make their first report of misconduct to their supervisors. Research suggests that responding to reports of misconduct can be difficult for managers, in large measure because they do not recognize reports when they come forward, and they are not sure what to say or do. A best practice that the University should consider is to develop a simple guide for managers and supervisors to help them both recognize and respond to reports of misconduct.

5. Communicate the Process of Reporting and Corrective Actions Taken

Similar to 2013, a majority of faculty and staff (75% and 59%, respectively) who did not report misconduct believed that corrective action would not have been taken if they had chosen to report. Penn State has worked to coordinate and consolidate the reporting process over the past four years; the next step is to strengthen communications about what happens when individuals come forward. One best practice is to release periodic summary reports of disciplinary actions that are taken.

6. Implement an Anti-Retaliation Program

Retaliation against individuals who report wrongdoing is one of the most difficult issues for any organization to address. ECI has observed that retaliation is a metric that often remains unchanged for several years despite substantive efforts by organizations to communicate their intolerance for such conduct. Penn State has taken the right steps to communicate that retaliation is not acceptable, and that such behavior is subject to disciplinary action. This communication needs to be consistently and frequently communicated amongst the stakeholders to become fully embedded within the Penn State culture. ECI suggests that the University implement an anti-retaliation program, which consists of a systematic effort to remain in touch with individuals who report, and to track their progress over time to ensure that they do not experience retribution for having come forward.

For more detail about the findings and suggested next steps, please see the full report.

About ECI

The Ethics & Compliance Initiative (ECI) is America's oldest private, non-profit organization devoted to empowering organizations to build and sustain high quality ethics & compliance programs. Since 1922, the ECI has been a resource for institutions committed to a strong ethics culture.

For more than two decades, ECI has regularly fielded surveys of employees and other stakeholders in organizations of all types and sizes. Data from these efforts have helped organizational leaders to gauge their ethics cultures, to identify emerging issues, and also to develop programs and resources to help stakeholders consistently live out their values.

ECI's survey metrics are based on its longstanding research in the areas of culture and ethics/compliance program effectiveness. ECI is widely known for its *National Business Ethics Survey* research, including the *Global Business Ethics Survey*®. ECI's culture metrics have been developed collaboratively with leading academics specializing in organizational culture.

For more information about the ECI or to download our research reports, please visit www.ethics.org