At the spry young age of 86, Frank Walker admits he’s still a dreamer. When it came to establishing the Walker Center for Applied Ethics, the second-generation leader of Walker Information simply wanted to “take on the world.”

That aspiration for a global commitment to business ethics remains, but for now the mission is taking place a little closer to home at Marian University. Walker admits, “Maybe what’s reasonable is we could have a significant impact in Indiana and set up a role model that could be adapted to other areas.”

Walker was a pioneer in the field, doing presentations and providing data on the topic in the 1990s. Liz Coit, on board as the executive director of the Walker Center, says, “Frank picked up the gauntlet on corporate ethics long before it was really kind of popular.”

She adds that while Marian delivers resources and intellectual capital, “Frank’s leadership, vision and passion brought it all together and is making it possible to have an impact.”

Marian was selected after a process that Walker jokingly equates to “putting out an RFP to give my money away.” The strong personal commitment of university president Dan Elsener and the school’s Franciscan values were among the factors in play.

“I’m hoping Marian is the size school that could relate better to small- and medium-sized businesses,” Walker reveals. “Years ago, some people at General Electric told me you people, meaning people like Walker Information, have the ability to take what the professors are developing, you package it up and you make it understandable to us business people.

“And I have that same dream that we can take some of the science that comes out of ethics, religion, philosophies … and package that, make it understandable to business.”

Talking the talk

Conversations about business ethics are more commonplace today than in the past. Anne Frye has spent 24 years at specialty chemical company Vertellus and its predecessors.

“From day one, every meeting I ever attended, the first thing we do is a safety share,” according to the vice president, general counsel, secretary & compliance officer for the Indianapolis-based company. “There’s never been a problem discussing ethics in the same way, but it wasn’t necessarily that we started meetings with it. Right now, on our intranet, one of the five banners we always have on there is what are our values. It’s a code of business conduct and here’s what’s important.”

The last year and a half – COVID, social justice, sustainability and more – have certainly raised discussions and acknowledgment of ethics in the workplace. While the awareness “makes people more receptive to listening and hearing the message,” Coit describes, “it’s also a period of time that people can sort of set aside as an anomaly.”
The first Indiana Ethics Survey: The State of Ethics in the Workplace was released in May. Nearly 1,000 employees at all levels of companies were among the respondents. A special section of questions found that the prior year had put a strain on many organizations.

“Employees felt more pressure to show up to work sick. They felt more at risk of losing their job,” Coit shares. “COVID put a new layer on the leadership job – ‘now I’m in crisis and how do I manage through crisis.’ Trends nationally fell through the floor. Company ethics, cultures weren’t holding up to the pressures of COVID.”

Overall, 56% of Indiana employees indicated their organization has a strong or strong-leaning ethics culture. That compares to a 60% U.S. average. (Other key findings – some in which Indiana fares better than the national numbers – are included in the charts within this story.)

Walker is surprised at the slightly lower perception of Indiana companies. He also reminds that it comes down to individuals,

Business Ethics Impact

A strong ethics culture in your business and industry contributes to employee and customer loyalty and long-term success. A recent survey published by the Walker Center for Applied Ethics at Marian University provides business leaders with an in-depth look at how the Indiana workforce perceives ethics in their workplace.

How does your company measure up?

Source: The State of Ethics & Compliance in the Workplace: GBES Indiana (ECI, 2021)

Scan to review the Indiana Ethics Survey: The State of Ethics in the Workplace or visit marian.edu/walkercenter.
Coit says there is no doubting the correlation between ethics and profits, but current efforts are striving to improve the causality. “What we can see through the data, not just the Indiana study, but the global study that was done, is a very high correlation with employee retention — between my perception of my company’s ethics culture and my intention to stay with the company.”

Fernanda Beraldi is senior director, ethics & compliance, with Cummins, which has been named to the Ethisphere Institute’s list of the World’s Most Ethical Companies for 14 consecutive years. In a three-year comparison of the 2019 honorees to companies listed on the large cap index, she says it was found that the most ethical companies enjoyed a 10.5% higher increase in value.

For Walker, ethical business practices come down to protecting the economic way of life that has permeated in the United States. “I personally think that what we’re doing here can have a huge impact on keeping the free enterprise system. I do worry about that. I see data that suggests that over half the people in this country work for the government (directly or indirectly). I am concerned because when government runs things, I don’t think they’re as efficient and it becomes political.”

He adds, “A business gets criticized because it makes money. Well, it can also be put out of business next week. I really hope that what we’re doing here could have an impact. I get so tired of the stories about the bad businesspeople. We need people to hear more about good businesses and what they’re doing.”

**Coming together**

Frye and Beraldi (incoming president) are members of Business Ethics Indiana (BEI). The group is focused on the promotion of best
practices in business ethics and compliance, along with education of members and professional development.

When the informal network of those in similar roles came together officially in 2017-2018, Frye recalls she was among the first to “raise her hand” to participate. Also a lawyer, she compares BEI to professional development in law or other occupations.

“To come together to talk about what are the common challenges we face, how do we address them and what resources are available … in hindsight, I can’t believe we didn’t do it sooner,” she attests. “I’m so proud to be part of this group that came together to elevate the standards of the profession. You personally benefit from that, your company benefits and your community benefits.”

Beraldi, a native of Brazil, was introduced to ethics and compliance early in her career while working for airline conglomerate Embraer, which received a subpoena related to violations of the Foreign Corrupt Practices Act. She came to the United States and Indiana to attend law school and completed several impressive internships before joining Cummins.

She too participated in informal discussions with colleagues at other companies, noting that commonalities are frequent. “We really believe that if all companies are doing the best they can and they’re benchmarking best practices … in hindsight, I can’t believe we didn’t do it sooner,” she attests. “I’m so proud to be part of this group that came together to elevate the standards of the profession. You personally benefit from that, your company benefits and your community benefits.”

“Frank Walker and his commitment to bringing applied ethics to it (is crucial). Everyone can say they have ethics; everyone can say integrity is one of their values. But how do we apply it? What does that mean?” – Anne Frye

Major companies might have the people and resources to address ethics and compliance, but challenges remain. Cummins does business in 190 countries, so “simple language” is crucial as well as overcoming any cultural barriers in communications and practices.

“An ethics and compliance function at a company does not own this alone. Everybody, all employees, should be promoters of an ethical culture within an organization,” Beraldi shares.

Smaller businesses may not have those same physical resources, but that does not change their responsibility or opportunity to benefit from an ethical culture.

“A company that has a code of business ethics, that puts it on their intranet scrolling banner and makes it more in the forefront, there’s less opportunity for a misunderstanding or a mixed message,” Frye reveals. “The price of admission is that we act with integrity. If that means we don’t get exactly the result we were trying to get in this business opportunity, that’s OK, because we didn’t check our ethics at the door.”

Differing definitions

No one has ever rightfully claimed that ethics is easy. In conversations 25 years ago, Walker recalls that some business leaders were simply focused on following the law. “Ethical dilemmas,” he emphasizes, “are not choosing between right and wrong, but where it’s right versus right. We face that in business all the time.”

Recent work by Gallup finds ethical views differing by age groups. Baby Boomers and the X generation look at individuals and whether the CEO, for example, is ethical, while millennials and the Z generation focus on what the company is doing socially in the world.

In the recent Walker Center survey, Coit notes some surprise at the “complexity of how an employee defines ethics.” An example would be the awarding of a bonus to a co-worker

Continued on page 23

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<th>Strong Culture</th>
<th>Percentage Point Change**</th>
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<td>80%</td>
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*Indicates a statistically significant difference between the observation or reported rates in weak and strong cultures.
**Change is the amount that observed or reported misconduct decreases in a strong culture compared with a weak culture. Change is calculated using unrounded values.

Source: The State of Ethics & Compliance in the Workplace: GBES Indiana (ECI, 2021)
with the initial employee feeling he or she worked as hard or harder than that person. “There’s a challenge here of taking what we assume drives an ethical culture,” she emphasizes, “taking what the employee actually says drives their impression of the culture in their companies and somehow putting those together into something we can change.”

On the generational side of the equation, the survey results revealed more tenured employees (compared to younger colleagues) observing considerably less misconduct or feeling pressured to compromise their ethics.

**Building momentum**

The leaders are optimistic that positive action is forthcoming.

Coit points to development of a more formal ethics program on campus at Marian University, along with the $19 trillion currently being invested globally based on ESG (environmental, social and governance) initiatives.

Frye praises the Walker connection. “Frank Walker and his commitment to bringing applied ethics to it (is crucial). Everyone can say they have ethics; everyone can say integrity is one of their values. But how do we apply it? What does that mean? How do we talk about it and learn what others have done?”

Beraldi details how the relationship with the Walker Center is already bringing clarity to pilot courses and other certification efforts. “BEI was created out of the realization that the majority of us never went to college to be a compliance professional,” she says. “One of the initiatives is making sure this is available for our own teams. We designed (courses) from scratch and the Walker Center is really helping us, providing the structure to deploy those courses.”

Walker welcomes the partnership but cautions that it is like preaching to a group that is “already in church” on the topic. He maintains the global viewpoint, starting close to home. “If we could get 5,000 to 10,000 businesses to have an impact, that’s pretty significant. If that became a role model – the state of ethics in the state of Indiana – it could really catch hold,” he muses. “It fits with our image for the Midwest. It fits with what I’d like to have associated with Indiana – that those are hardworking people who do it the right way.”