



LRN *Inspiring Principled Performance*

Strong foundations:
The importance of
risk mitigation



2024

Ethics & Compliance
Program Effectiveness Report

Singapore Edition



Inspiring Principled Performance is core to what we do at LRN. It embodies our commitment to helping people around the world do the right thing, and our understanding of what makes ethics and compliance (E&C) programs truly effective in that mission. Welcome to our 2024 Ethics & Compliance Program Effectiveness Report. This report provides insight into the foundations of ethical culture in organizations based in Singapore.



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Introduction

LRN publishes its *Ethics & Compliance Program Effectiveness Report* annually. The report reflects the input of ethics and compliance professionals from around the world, filtered through insights we have gained from our research, as well as our work with thousands of companies and organizations worldwide.

The [2024 global report](#) is based on a global survey of 1,415 ethics and compliance professionals at companies and organizations. Using methodology and insights we have developed over 30 years working in this space, we analyzed the data and information these practitioners provided to determine the critical differentiators that make some E&C programs more effective than others. This report focuses specifically on insights gained from respondents from 112 companies based in Singapore, which made up 8% of our global dataset.

LRN's ongoing research and experience with thousands of organizations over the decades demonstrates that a values-based approach to governance builds and sustains ethical culture that correlates strongly with more effective E&C programs. Values transform culture and impact behavior; rules merely set minimum standards. Both are necessary, but rules are not self-executing, and culture determines which ones are observed in practice. Moreover, ethical culture underpins successful performance across the organization, not just in the ethics and compliance area. Our research has consistently shown that an organization dedicated to sustainable human values will exhibit superior performance across operations and be significantly more successful at integrating ethics and compliance into its day-to-day operations.





Organizations in Singapore are focused on ethics and compliance

The 2024 report results revealed that companies in Singapore have taken steps to improve their programs and focus on ethics and compliance risks. Singapore companies report taking action on ethical issues at a higher rate than worldwide peers.

Organizations in Singapore report that navigating complex government regulation, environmental, social, and governance (ESG) expectations, data protection, and information security challenges require the most effort. While these challenges are not unique to Singapore, organizations in Singapore do face strong local regulation on data protection (the 2012 Personal Data Protection Act (PDPA)), information security (the 2018 Cybersecurity Act), and strong oversight of the market by the Monetary Authority of Singapore (MAS).

The MAS has issued guidelines specific to financial institutions to promote ethical behavior by promoting and empowering staff to encourage an ethical culture. The 2020 guidance encourages financial institutions to:

- Incorporate culture and conduct into hiring and training
- Encourage a speak-up culture
- Exhibit tone from the top
- Consider conduct risk in risk management process
- Utilize culture assessments
- Create incentives for ethical conduct
- Maintain accountability for misconduct from senior managers

Like other global stock exchanges, the Singapore Exchange (SGX) also provides that listed organizations demonstrate their compliance efforts



with concrete E&C program components such as a code of conduct. While there is not a tremendous push for ethics and compliance from the local exchange or local regulators, organizations in Singapore do report a strong adoption of E&C programs and plans to improve their programs over the next year. However, despite their intent to devote time and resources over the next year to program improvement, Singapore organizations also report facing challenges in resourcing their programs and providing these needed updates. Staffing and budget constraints are consistently reported above worldwide trends.

Against this backdrop, we provide our annual *Ethics & Compliance Program Effectiveness Report* so that your organization can take stock of “what good looks like” for Singapore E&C programs and how high-performing programs in Singapore are retaining the edge over their peers, especially in the face of E&C risks and enhanced regulations.

According to the Code of Corporate Governance from the Singapore Exchange, companies listed on the Singapore stock exchange must have “a code of conduct and ethics, sets appropriate tone-from-the-top and desired organizational culture, and ensures proper accountability within the company.”





Highlights

Organizations in Singapore report strong, ethical responses from leadership and a focus on improvement and addressing compliance risk. Ethics and compliance is considered in organizational operation and business processes, however there is still a lack of program maturity and available resources for the program.

According to our 2024 report...

90% 90% of organizations in Singapore report making difficult decisions consistent with the organization's values in the past year—**20% higher** than the global and APAC averages.

72% 72% report modifying or abandoning business initiatives based on compliance factors or risks—**20% higher** than the global and APAC averages.

75% 75% factor ethical behavior into their promotion and bonus consideration, while 60% report terminating or disciplining an executive or high-performing employee over unethical behavior in the past year. The global and APAC averages are only **45%**.

48% There is a strong connection between the compliance function and leadership—**48%** of programs report to the CEO.

30% However, the E&C function's reporting access to the board of directors (**30%**) is slightly lower than the average in the APAC region (**36%**).

33% Singapore organizations report adopting new training tools and techniques, such as "test out" quizzes and links embedded within a course up to **33%** more frequently than their global and APAC peers.

90% 90% of senior and executive managers in Singapore report that they consider company values and purpose when making difficult business decisions, while only **34%** of middle managers report the same.

In Singapore, high-performing programs show significant differences with less-effective programs:

1.3x 1.3x more likely to have parity with the resources of other corporate risk functions (100% vs. 77% of less-effective programs).

5x 5x to 7x more likely to address topics like ESG and harassment with “a great deal of effort” than less-effective programs.

25% A 25% higher-reported effort to address topics such as data protection, regulation, and information security.

1.6x 1.6x more likely to update their codes to reflect lessons learned.

1.4x 1.4x more likely to have a mechanism to track reports made to managers or human resources.

1.5x 1.5x more likely to consider E&C criteria for promotion, and 1.6x more likely to consider E&C criteria for bonuses.

2x 2x more likely to adapt to remote and hybrid working environments.

4x 4x more likely than less-effective programs to use a specific E&C learning platform to deliver training.



Detailed findings

Singapore E&C programs:

What's working well and what isn't



Leadership is engaged

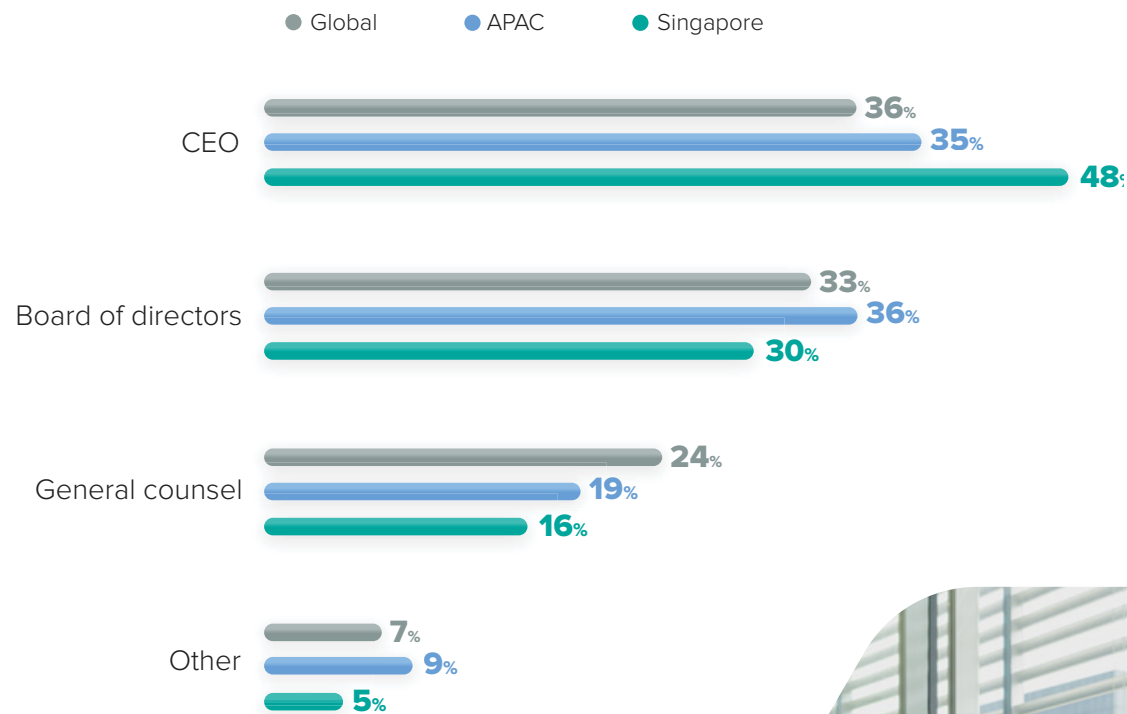
Understanding to whom E&C program leaders report is a critical component that can significantly influence the program's effectiveness. The basic idea is to ensure the independence of the chief ethics and compliance officer (CECO).

While reporting directly to the board of directors can support the sort of independence that empowers CECOs, other avenues for reporting such as the CEO and general counsel are not uncommon both globally and in the Asia-Pacific (APAC) region overall. Interestingly, a larger percentage of organizations in Singapore report directly to the CEO on operational compliance (48%). This practice raises the potential that executives could influence or interfere with the reporting of critical issues to the board level.

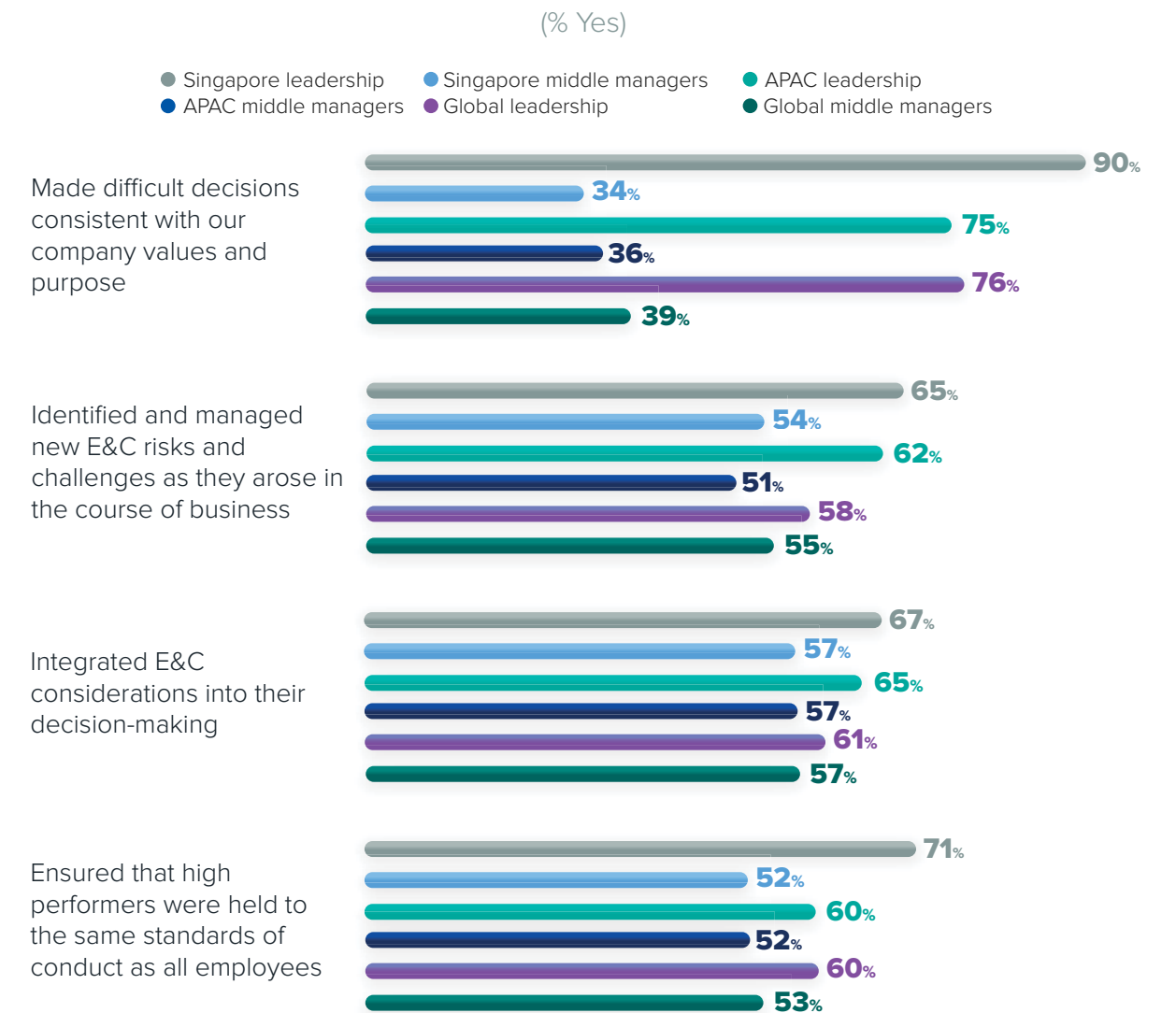
Singapore organizations report robust responses to compliance challenges by their senior executives and managers. Singapore outperforms both global and APAC organizations when it comes to making difficult decisions consistent with company values, with 90% of organizations reporting affirmatively.

While 90% senior and executive managers reported to take on difficult decisions based on company values and purpose, there is a marked difference when looking at the number of middle managers in Singapore who report taking those difficult decisions. Roughly one-third third of middle managers (34%) report the same as senior and executive management. Middle managers also lag behind senior and executive managers in identifying E&C risks and challenges, integrating E&C into decision-making, and ensuring that high performers are held accountable for misconduct.

To whom does the person assigned administrative responsibility for the E&C program report?



What steps have your organization's leaders taken to respond to compliance risks and challenges in the past 12 months?

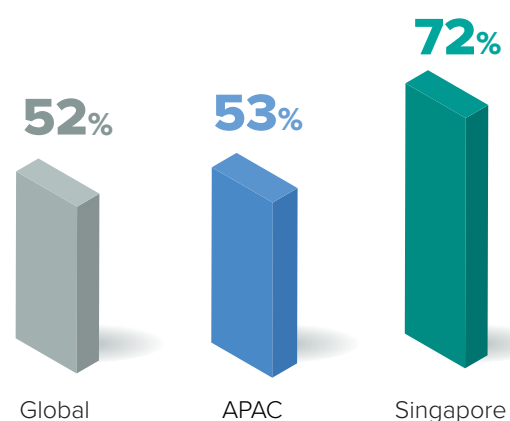




Senior leadership in Singapore is also reported to more frequently to manage new compliance risks and challenges, integrate ethics and compliance into decision-making, and ensure that high performers are held to the same standards as all employees. The reported behavior by senior leadership underscores their commitment to compliance.

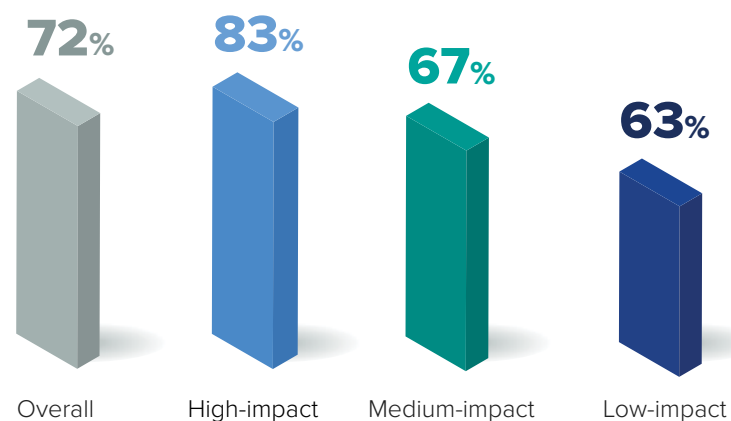
Even more compellingly, 72% of organizations in Singapore report modifying or abandoning a business initiative based on E&C risks or factors. This could include walking away from business deals with customers or business partners with questionable ethical practices.

In the past year, has your organization's consideration of E&C risks or factors led to substantially modifying or abandoning a business initiative? (% Yes)



This consideration of E&C factors was consistently higher than the global and APAC averages even for medium-performing and low-performing compliance programs in Singapore.

In the past year, has your organization's consideration of E&C risks or factors led to substantially modifying or abandoning a business initiative? (% Yes)

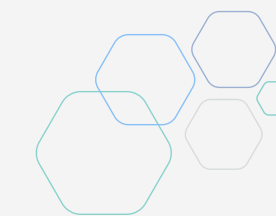
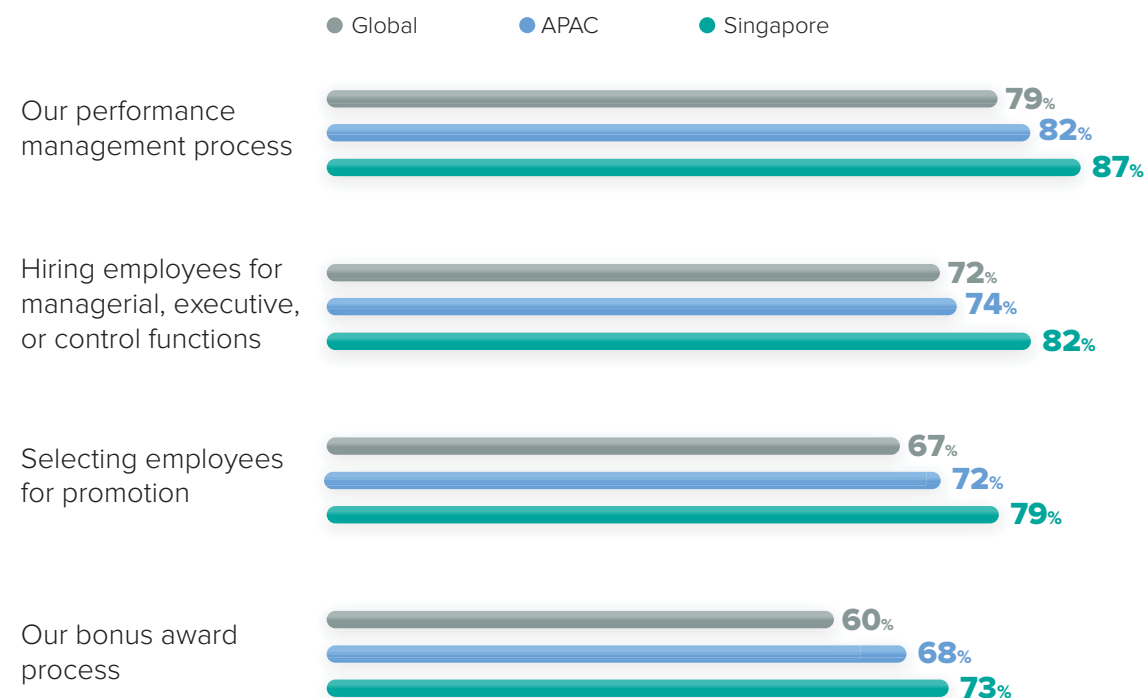


Ensuring personal accountability for misconduct

Another program feature that has become a “must have” indicator of effectiveness is implementation of incentives and disincentives for ethical behavior. Singapore organizations outperform global and APAC programs significantly in considering ethical behavior in measuring management performance, hiring, promotion, and bonus awards.

My organization has formal requirements that executives’ and employees’ ethical behavior is evaluated as a significant factor in...

(% Yes)

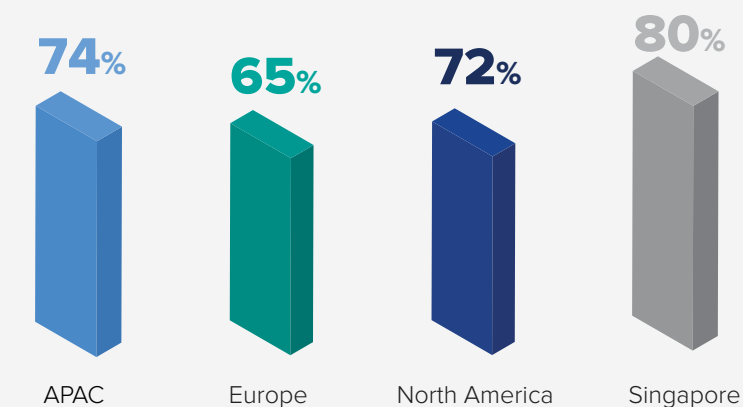


APAC leads in rewarding ethical behavior

Incorporating rewards and penalties as part of the company’s compensation structure is a major step towards an impactful ethics and compliance program. Our global report (EN) looks at regional data in this area and shows that APAC scores the highest in incorporating ethical behavior into evaluations across these four areas, followed by North America and Europe respectively. Singapore leads all with an average 80% adoption of these requirements, making it a driving force behind APAC’s regional percentage.

My organization has formal requirements that executives’ and employees’ ethical behavior is evaluated as a significant factor in performance management, hiring for key roles, promotion decisions, and bonus awards

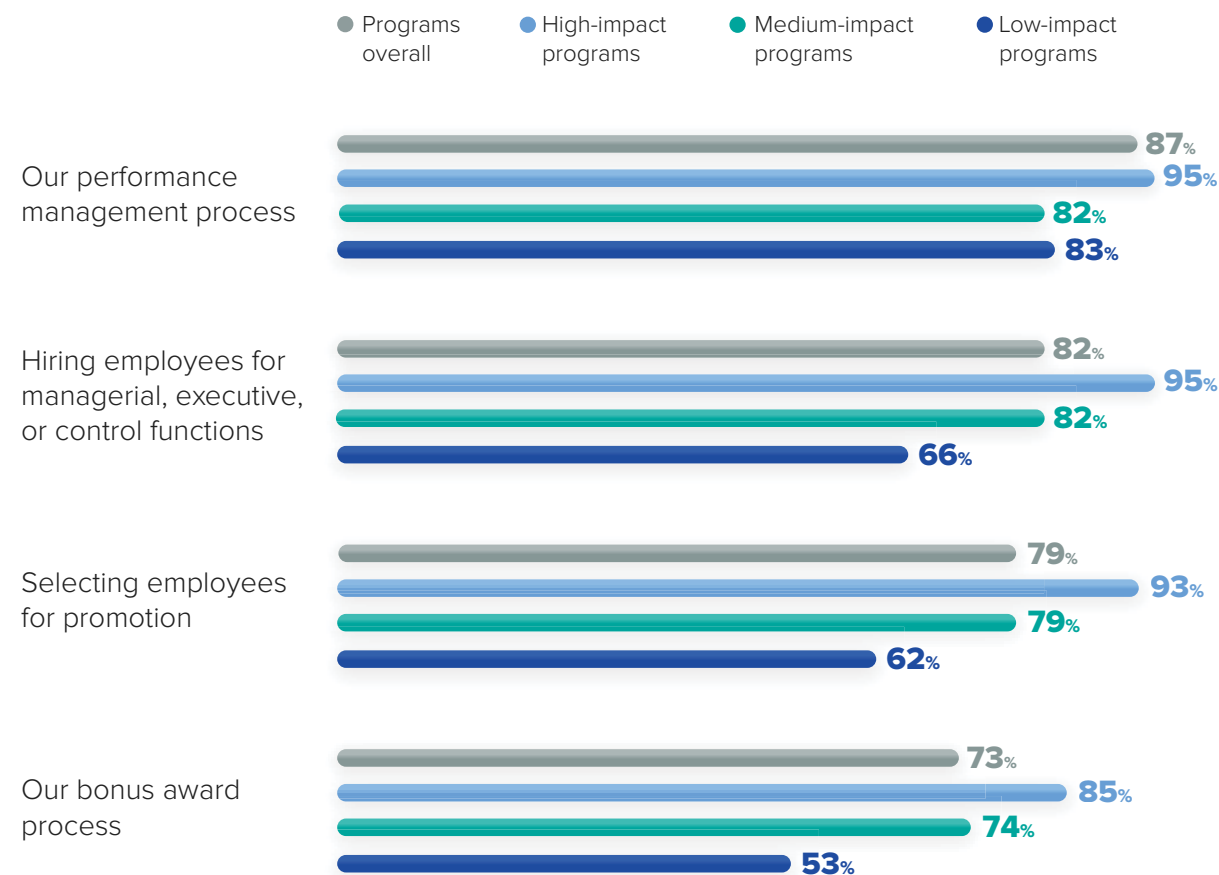
(% Yes, average of 4 items)



Notably, high-performing programs in Singapore significantly outperform less-effective ones in embedding E&C criteria into these processes—especially selecting employees for promotion (1.5x more likely) and bonus awards (1.6x more likely).

My organization has formal requirements that executives' and employees' ethical behavior is evaluated as a significant factor in...

(% Yes)



Rewarding and recognizing good ethical behavior and punishing misconduct were cited by the US Department of Justice in its September 2022 policy on corporate criminal prosecution. In announcing the policy, Deputy Attorney General Lisa Monaco stated:

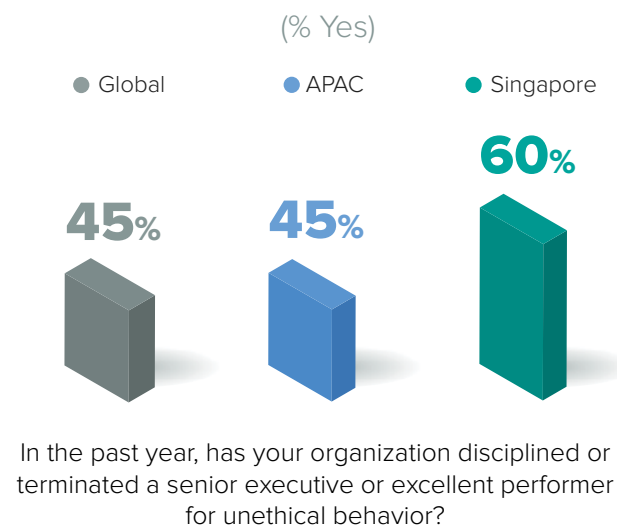
*“Going forward, when prosecutors evaluate the strength of a company’s compliance program, **they will consider whether its compensation systems reward compliance and impose financial sanctions on employees, executives, or directors whose direct or supervisory actions or omissions contributed to criminal conduct.** They will evaluate what companies say and what they do, including whether, after learning of misconduct, a company actually claws back compensation or otherwise imposes financial penalties.”*

Thus, the DOJ views the use of clawback provisions that allow organizations to recoup compensation paid to those responsible for misconduct as prima facie evidence of an effective compliance program. While unilateral clawbacks are not supported by law in Singapore, organizations can contract with their employees and officers to include bonus clawback provisions in their agreements. With 85% of high-performing programs and 60% of less-effective programs reporting clawbacks as “policy” for their organizations in Singapore, there is clearly a broad adoption of the use of these tools even if they are not required or specifically encouraged through local enforcement.

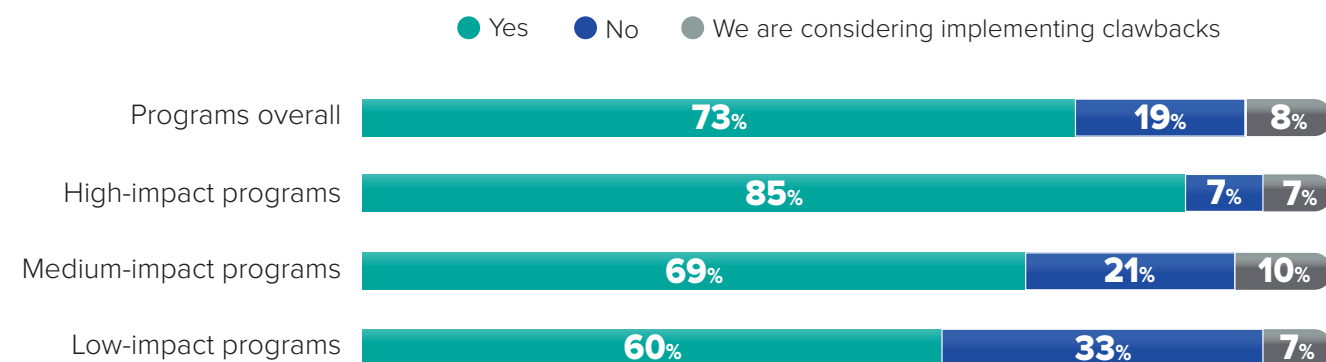


As with other reported instances where consideration of ethical accountability is considered in business decisions, organizations in Singapore also more frequently report disciplining or terminating executives or high performers based on unethical behavior more than global and APAC peers. Singapore organizations also regularly use clawbacks of bonuses and other compensation when board members, executives, or employees engage in misconduct. High-performing programs lead the pack in both implementing and using such provisions.

Accountability for, and consequences of, high-level misconduct or unethical behavior



Does your organization have policies that allow “clawback” of bonuses, severance, or other rewards if a board member, executive, or employee commits serious misconduct in the course of their work?



The impact of the US on global regulatory enforcement

As regulatory enforcement becomes increasingly global, LRN’s research shows a clear convergence of E&C best practices across countries and regions, resulting in a global standard for the basic elements of E&C programs. In September 2023, we published a special [Global Standards Edition](#) of our *Ethics & Compliance Program Effectiveness Report* that looked at how programs have performed from 2020 to 2023. A key insight was how broadly US regulations apply to organizations worldwide and have helped shape the development of E&C programs everywhere. Any organization doing business in the US, using the US financial system, listing on US stock exchanges, or with other touchpoints to the US may face prosecution in the US as well as its home country.

For example, a few years ago, US regulators successfully prosecuted an Asian company that used a bank in the UAE that was a branch of a US financial institution as part of a bribery scheme. Even minimal US contacts are enough to assert jurisdiction. In the past 10 years, nearly half of all US prosecutions under the Foreign Corrupt Practices Act have been against non-US companies. This includes APAC organizations, such as the \$25 million fine paid by BHP Billiton.

Enhancing the employee experience

When considering program improvements and enhancements, leveraging resources to impact the experiences employees have with the E&C program can be most impactful. The top three future compliance program priorities for Singapore respondents focus on optimizing the employee experience with major program elements, whether it's updating them to be easier to use or collecting data on current usage to gauge their impact.

- 1 Making policies more user-friendly
- 2 Improving online training courses and platforms
- 3 Collecting and analyzing metrics that provide real-time insight into program impact

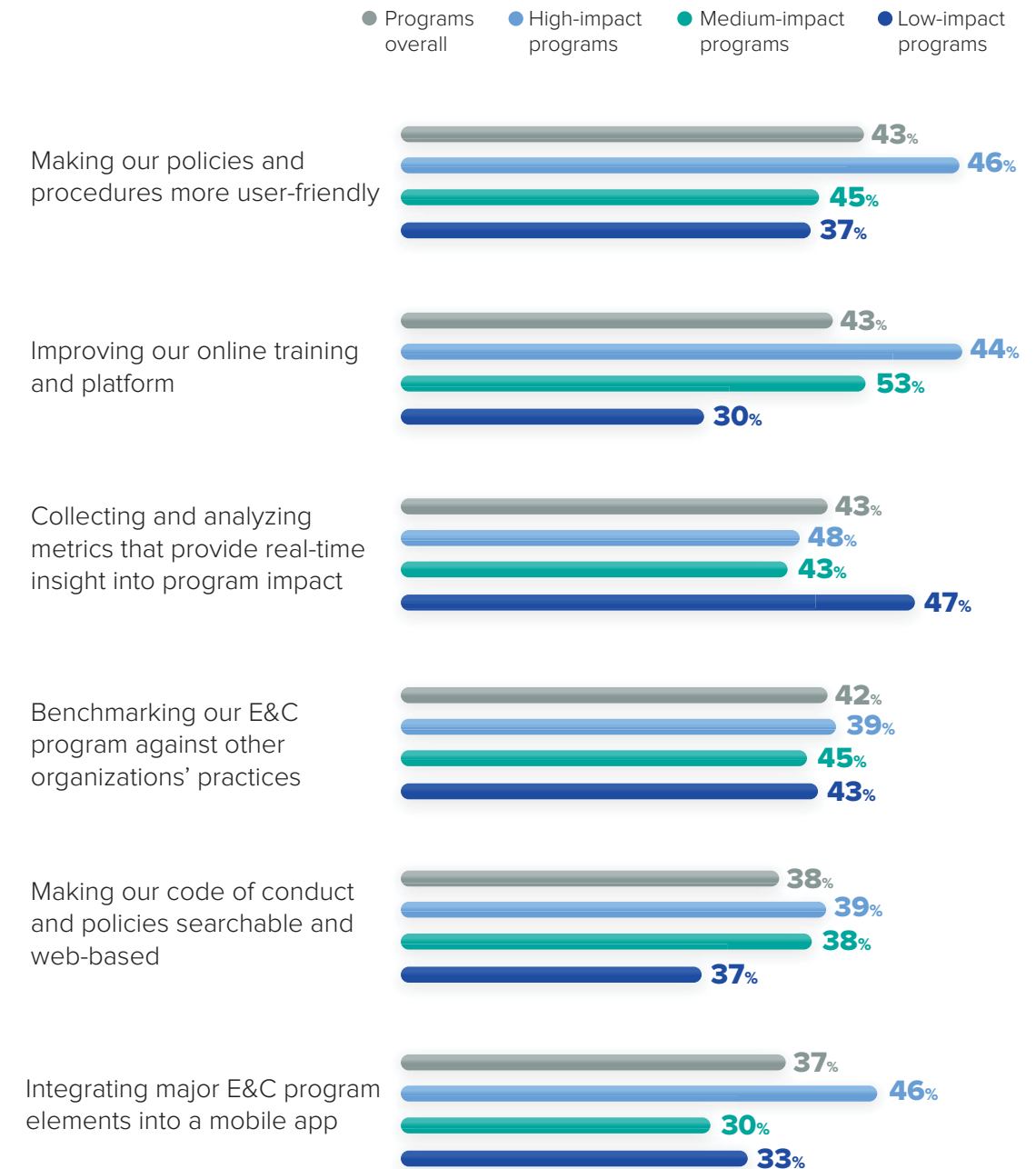
This tracks with the top priorities of respondents in the wider APAC region and for all respondents globally.

High-performing programs in Singapore show the greatest variance with less-effective programs when it comes to priorities such as collecting and analyzing metrics, improving online training platforms, and integrating program elements into mobile apps.



How high of a priority are the following to your E&C program in the near future?

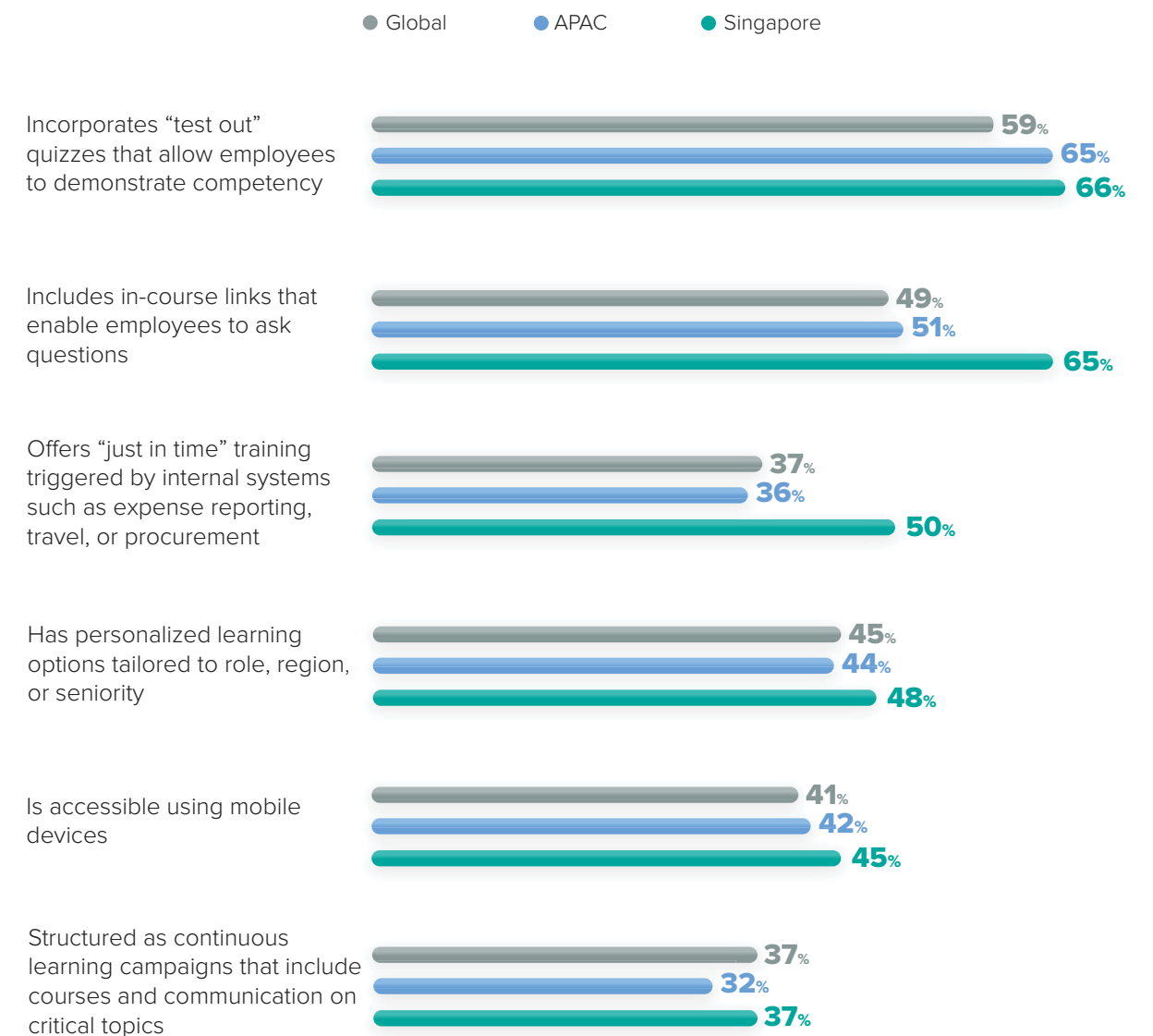
(% High priority)





Training is a key component of any successful compliance program and is often an area where innovation and improvement lag behind other parts of the program. Organizations in Singapore, however, do report more frequently using features that enhance the employee experience compared to peers globally and in APAC, like “test out” quizzes and links embedded within a course that enable employees to ask questions. Singapore organizations also report a higher use of other tools and tactics such as mobile training, role-based training, and “just in time” training triggered by actions such as reporting travel.

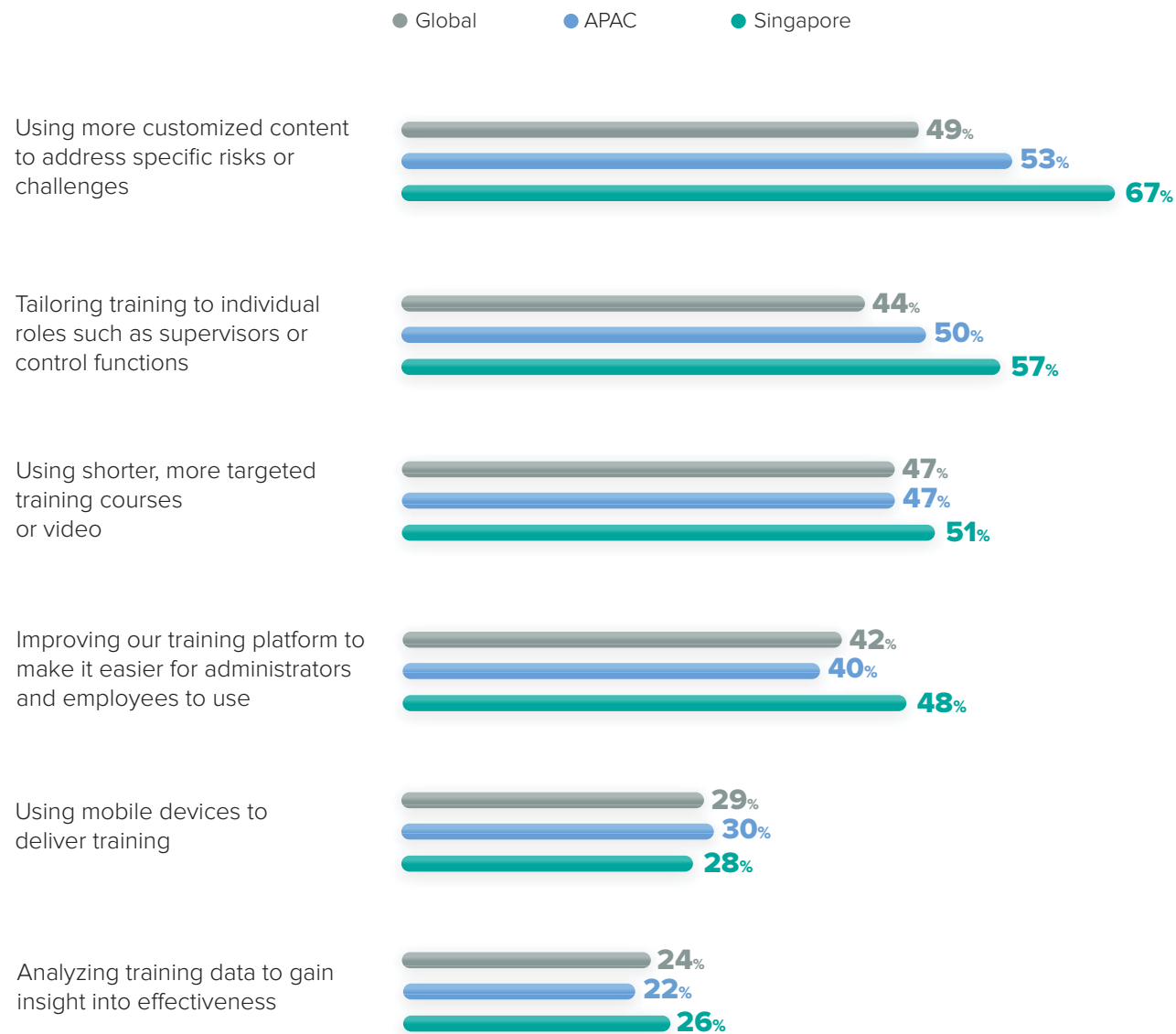
Please select the following features that apply to your organization’s E&C training program



Organizations also understand that improving delivery of training can enhance the employee experience and overall training effectiveness. Singapore organizations report customizing content, tailoring training, and improving their training platforms at a higher rate than their global and APAC peers.

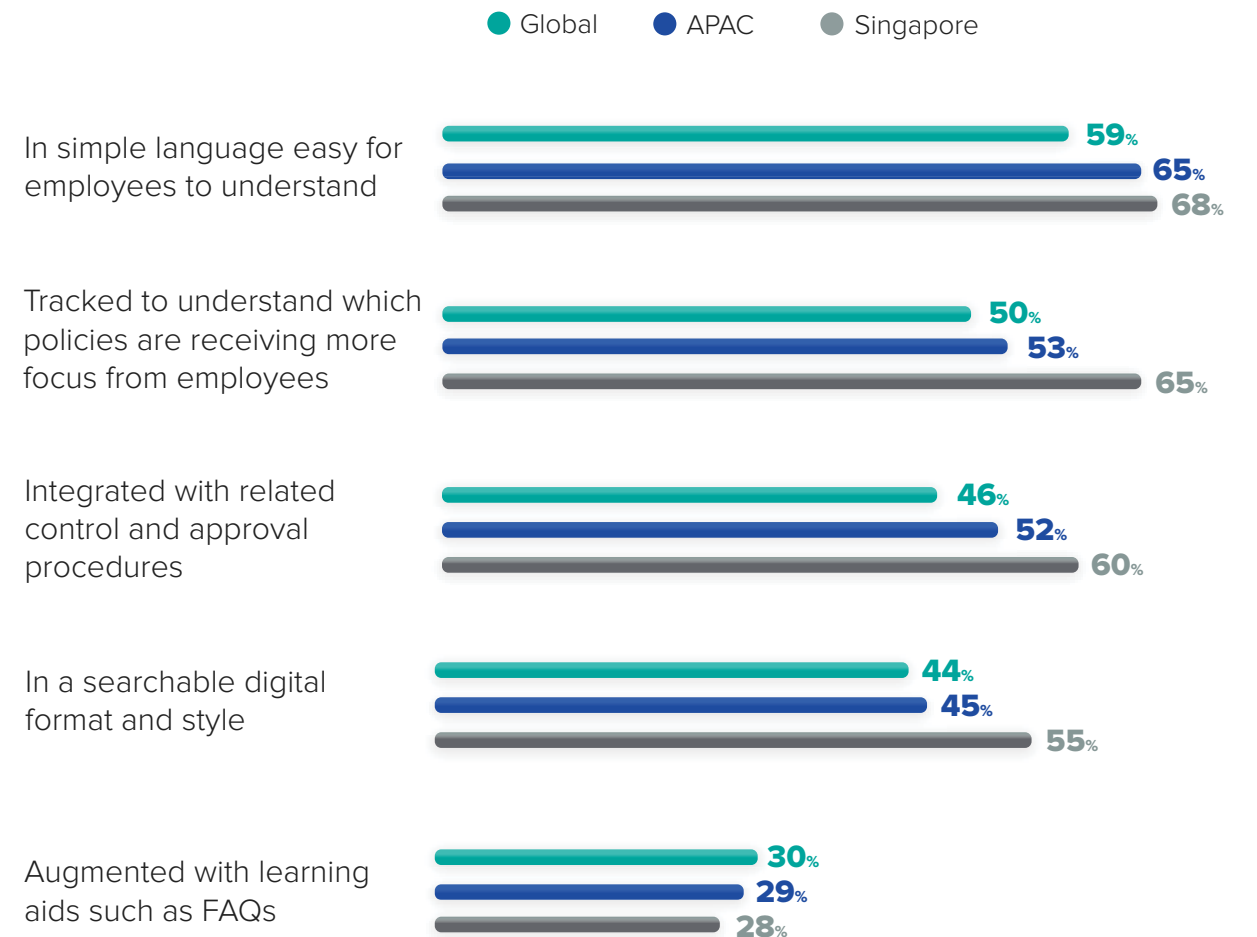
What changes have you made to increase the impact and effectiveness of your training?

(Select all that apply)



Another key pillar for an effective program is accessible and comprehensive written standards. As with training, organizations in Singapore consistently outperform their global and APAC peers in making their written compliance policies more accessible to employees, such as drafting in simple language, providing searchable digital formats, and tracking access and use of policies.

Please select the following features that apply to your organization's policies

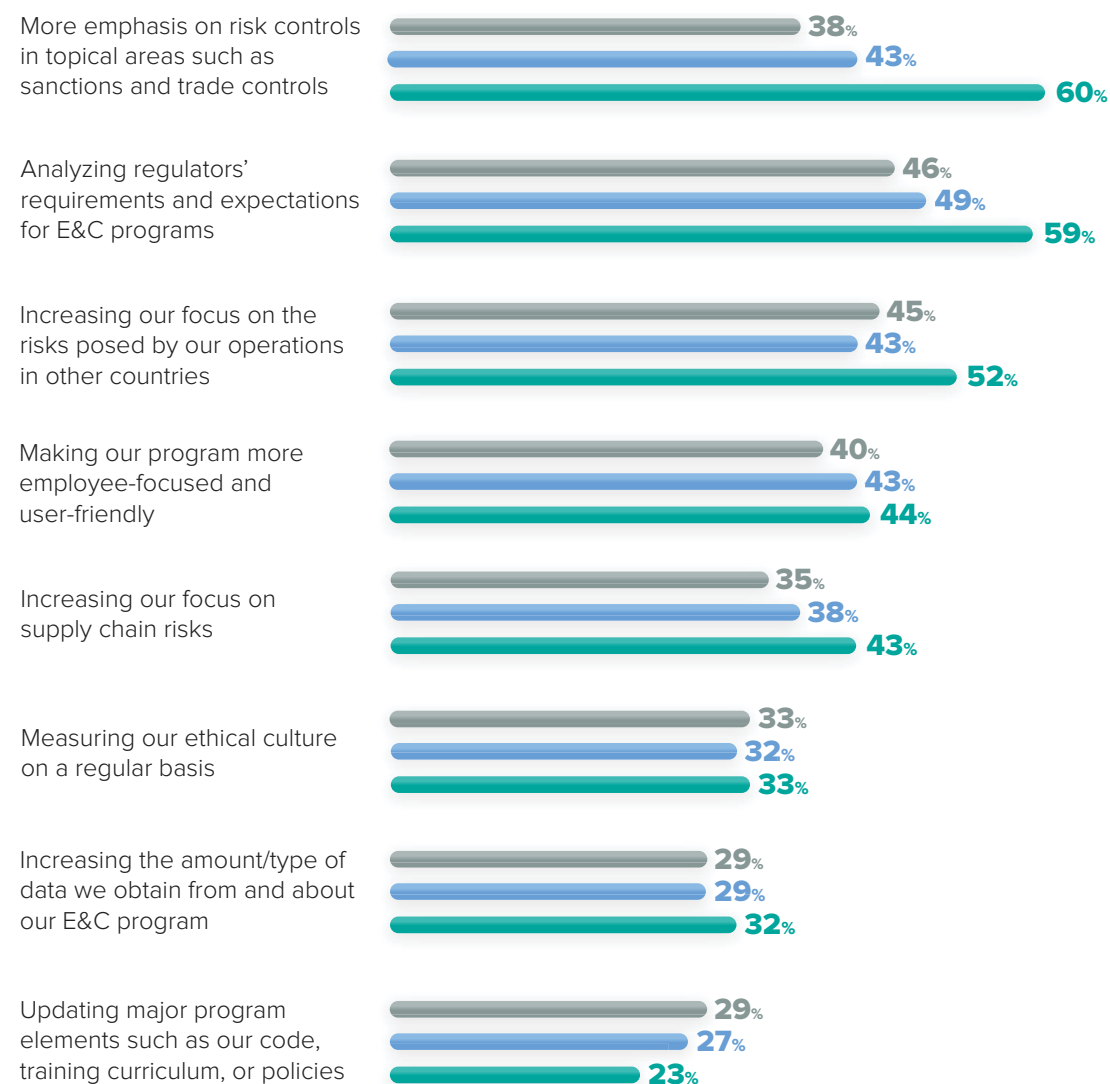


Increased focus on global risks and recent regulatory efforts

As the world becomes more complex the business risks that impact organizations only increase. Smart organizations understand that compliance programs must respond dynamically to change no different than any other part of the business. Respondents from Singapore report significantly more changes than global and APAC peers around addressing risk controls, analyzing regulatory requirements, and focusing on risks posed by overseas operations.

What changes has your E&C team made in the past 12 months? (% Yes)

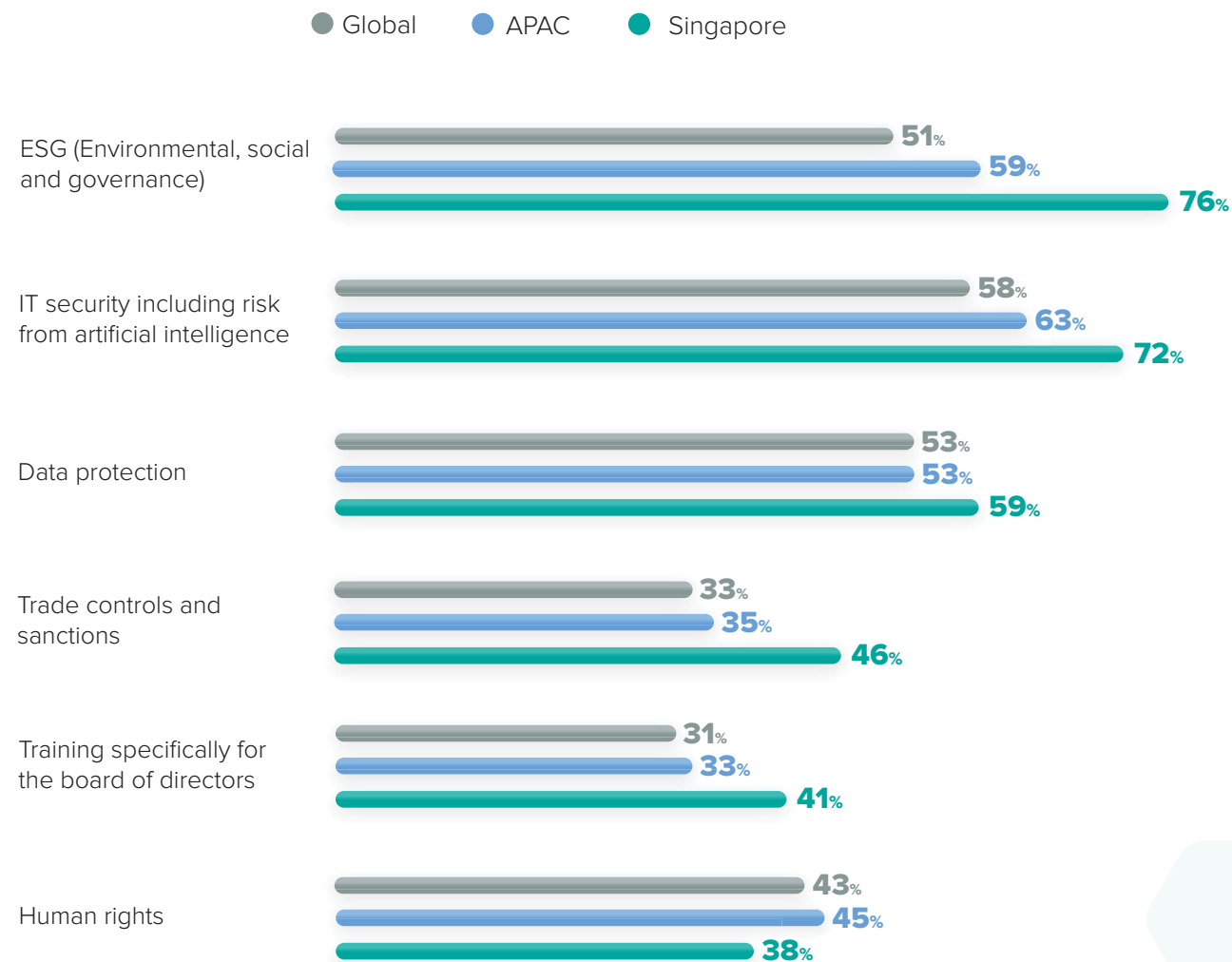
● Global ● APAC ● Singapore



There is also a strong current of interest with Singapore organizations to add or strengthen training on topics relevant to recent regulatory developments that outstrips the reported considerations globally and with APAC peers—such as ESG, IT security (including risk from artificial intelligence), and data protection.

What topics are you considering adding to or strengthening in your current training curriculum?

(Select all that apply)



Asia focuses on ESG

Businesses are increasingly subject to compliance requirements relating to environmental, social, and governance (ESG) matters and disclosure requirements in a number of jurisdictions in the APAC region. In Hong Kong, public and private companies are generally required to disclose their environmental policies and performance in an annual directors' report, unless they fall within one of the exemptions. In Malaysia, listed securities issuers are required to include a narrative statement to comply with [Bursa Malaysia's Sustainability Reporting Guide](#) in their annual reports. In Japan, various environmental protection laws require businesses in certain industries to disclose environmental and climate impact information, such as energy consumption and greenhouse gas emission levels.

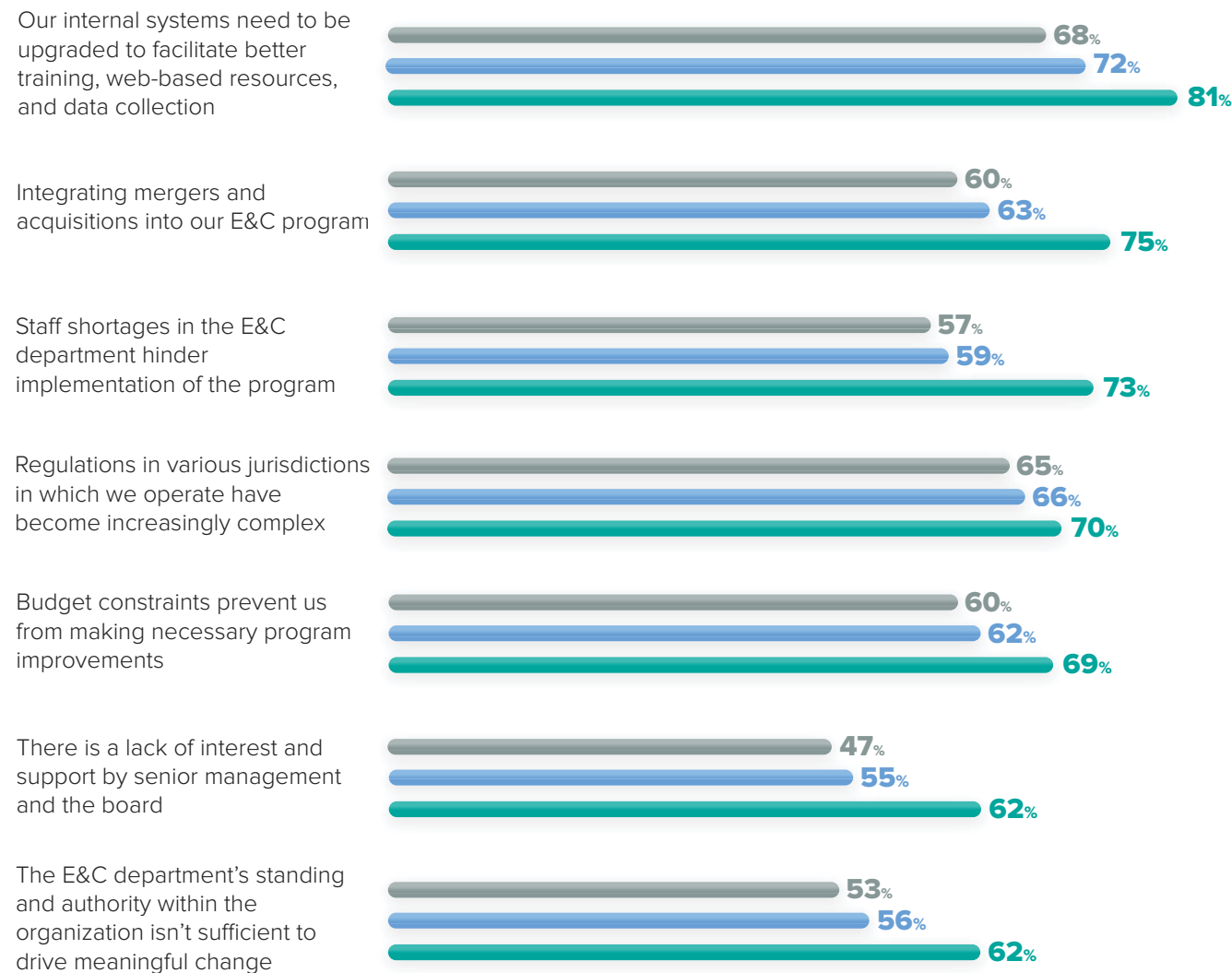
There are obstacles to program effectiveness

Looking back over the previous year, organizations in Singapore report challenges with their compliance programs consistent or greater than their peers globally and in APAC. Particularly, Singapore organizations report the need to upgrade their internal systems, better integration for compliance after M&A activity, and addressing staff shortages for compliance.

Which statements best describe the biggest obstacles to improving your E&C program's impact and effectiveness over the past 12 months?

(% Agree)

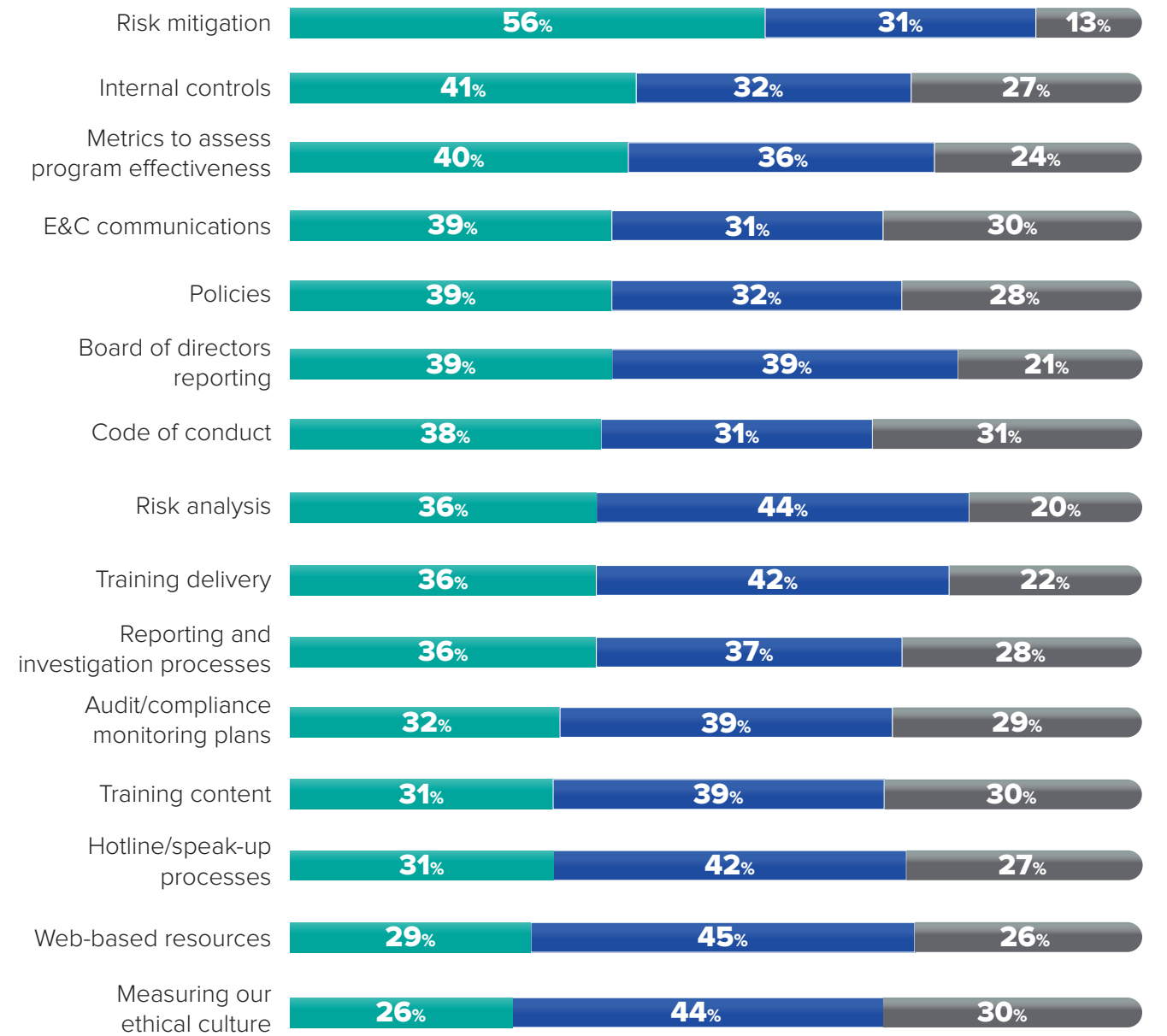
● Global ● APAC ● Singapore



This concern about resources is also reflected in some Singapore organizations reporting lower improvement on program resources such as measuring culture, hotline resources, updating training content.

Rate the status of the following E&C program elements

● Improved over the past 12 months ● An area of focus to improve in 2024 ● Already a strong element of our program

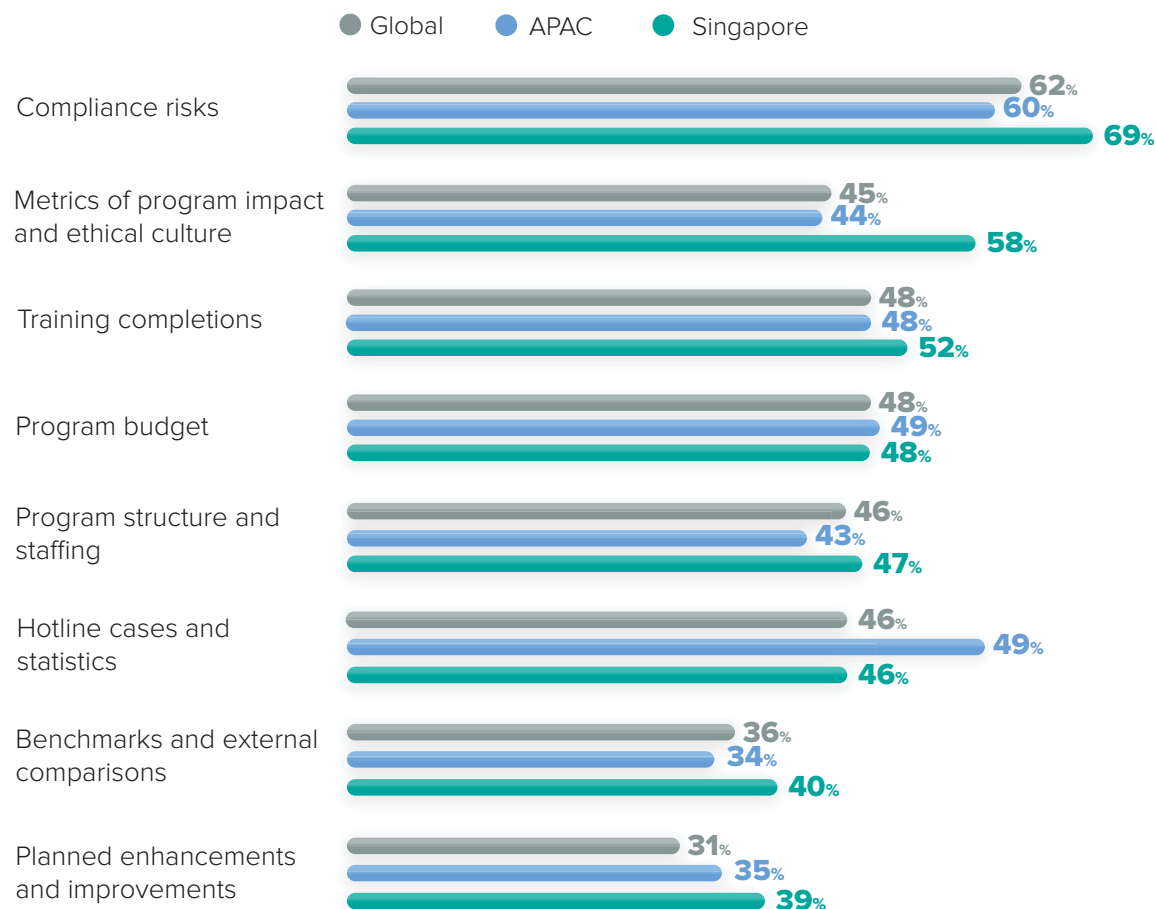


The critical role of the board of directors

An organization’s governing authority, most often the board of directors, sets the tone for compliance and ethics at the organization and is ultimately responsible for the resourcing, oversight and overall success of the program. A strong relationship between the board of directors and operational compliance at an organization is key to ensuring that success.

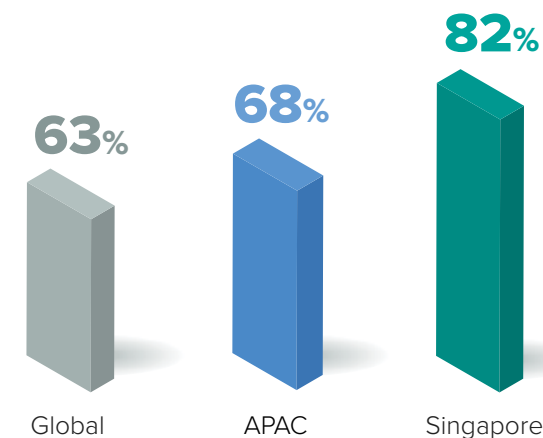
While Singapore organizations report a stronger connection between the CEO and executives with the compliance function, with only 30% of organizations reporting direct reporting to the board of directors (compared to 36% of APAC peers), there is still strong data on the relationship with the board. Organizations in Singapore report providing materials to the board on compliance risks, program impact and culture, and compliance benchmarks at a higher rate than global and APAC peers. Singapore organizations also report at a higher rate than peers that the board has taken an “active role” in the past year to ensure that misconduct by executives or high performers is effectively addressed.

What materials and topics does the board receive and review? (% Yes)*

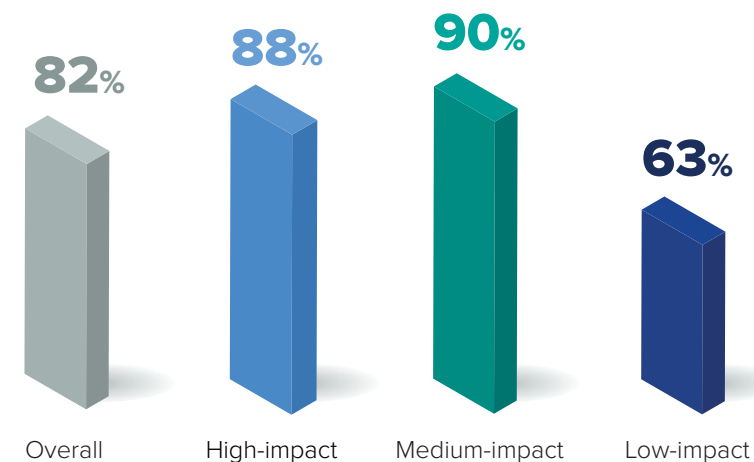


* Excludes those that answered "Neither our full board nor a board committee review our program" to the previous question

In the past year, has your board of directors taken an active role in ensuring that misconduct by senior executives or excellent performers is effectively addressed? (% Yes)



In the past year, has your board of directors taken an active role in ensuring that misconduct by senior executives or excellent performers is effectively addressed? (% Yes)



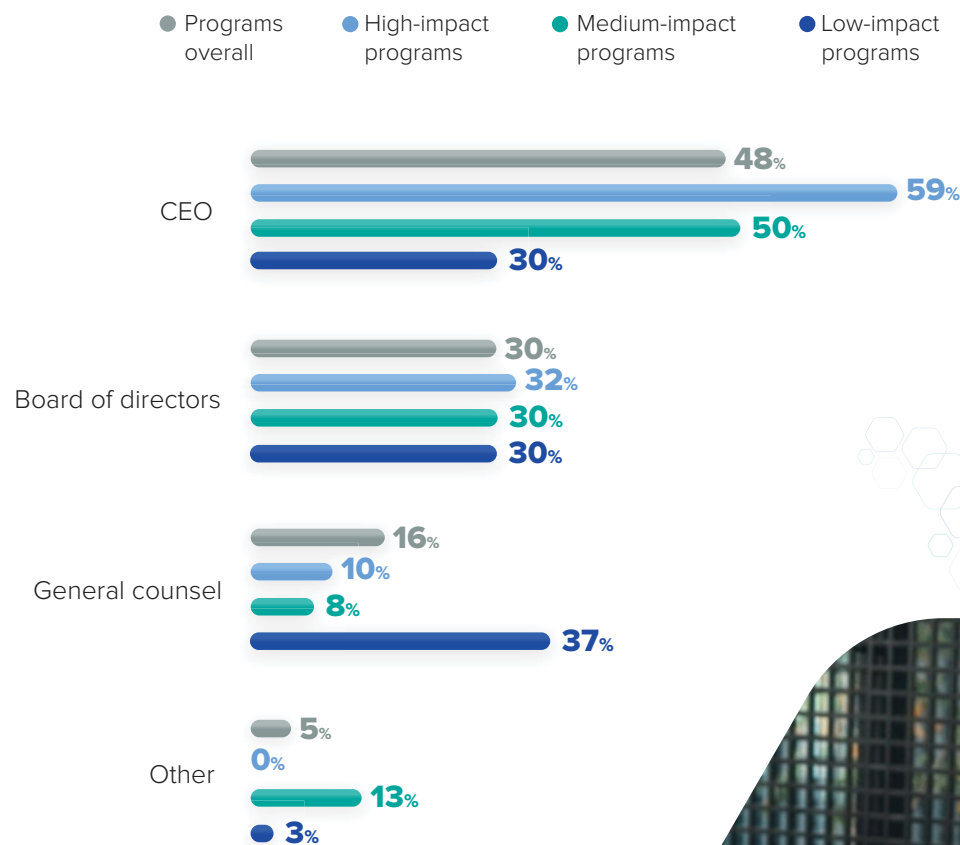


What do high-performing programs do better?

Greater access and authority in their organizations

While all organizations in Singapore show a lower rate of reporting into the board of directors versus the average in our global report, only less-effective programs remain significantly tied to traditional reporting to the general counsel or legal department (37%). High-performing programs, on the other hand, are 2x more likely to report into the chief executive officer (CEO) of their organization—an encouraging sign for E&C having a seat at the C-suite table.

To whom does the person assigned administrative responsibility for the E&C program report?

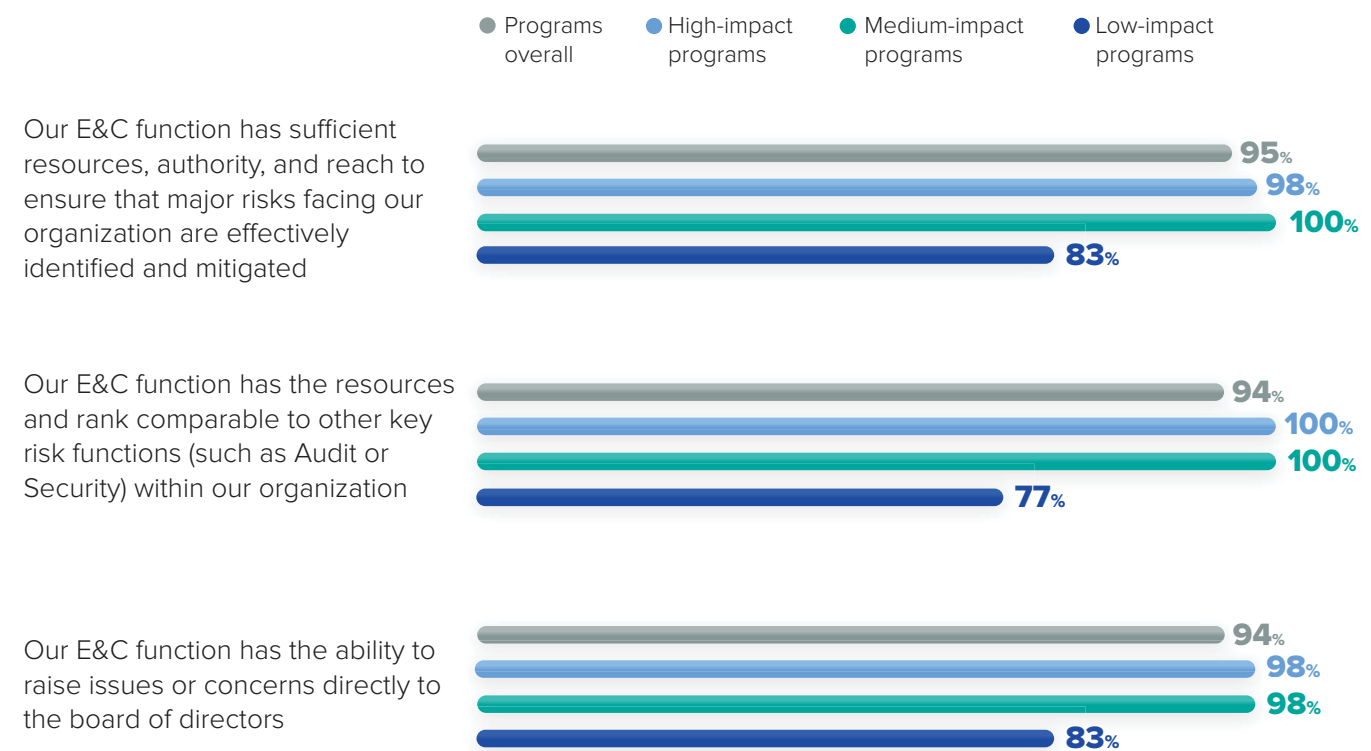


When it comes to reported resources, another significant gap is clear between high-performing programs and less-effective ones. A full 100% of high-performing programs report that the compliance function has resources comparable to other key risk functions, whereas less-effective programs report parity only 77% of the time. High-performing programs are also more likely to have the resources, authority, and reach to effectively mitigate risk and raise concerns directly to their board.



Do E&C programs have sufficient resources, rank, information and access to carry out their mission?

(% Agree)



Leveraging values to adapt to risks and challenges

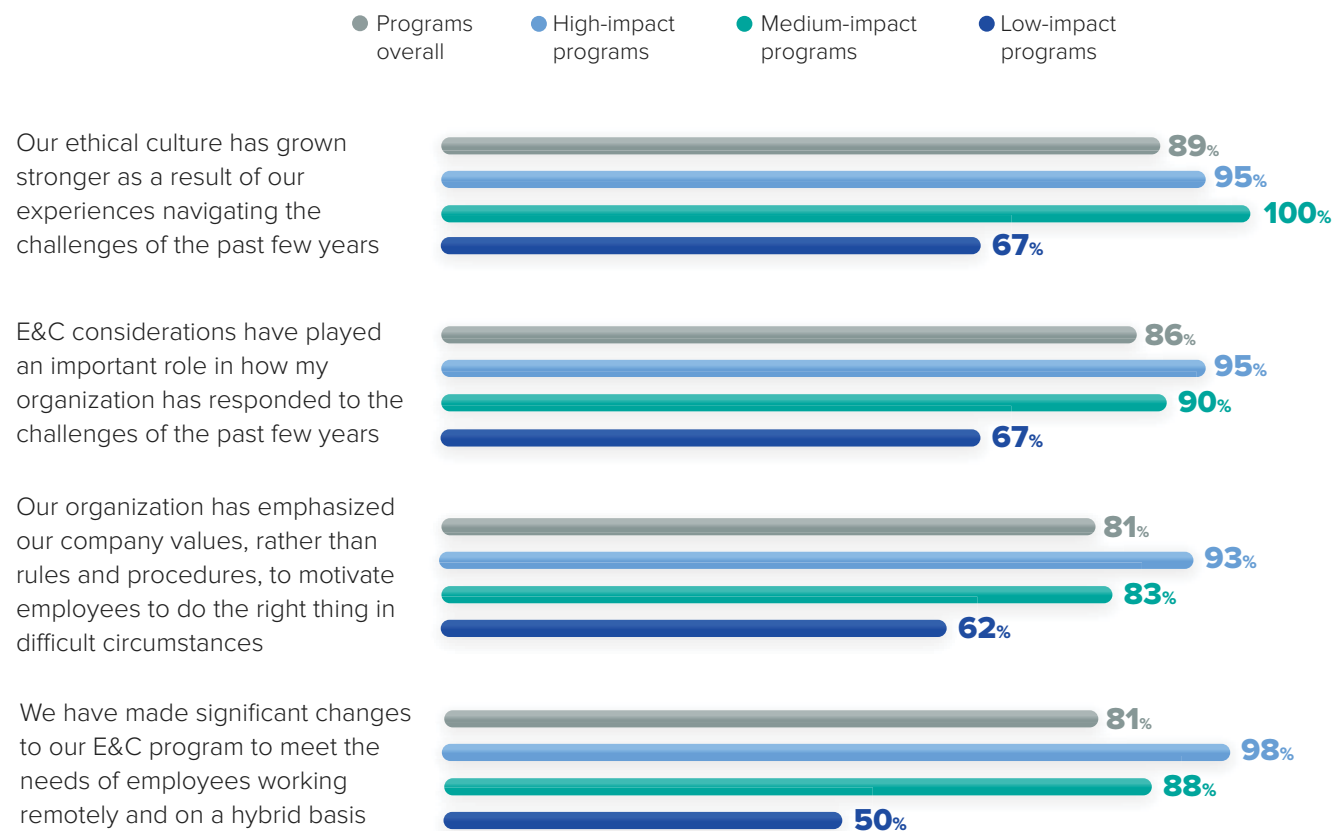
There has been significant change and challenges for compliance programs over the past few years.

When looking at the responses from less-effective and high-performing programs in Singapore, we see some significant variance in how organizations have addressed or adapted to these challenges. 98% of high-performing programs report making changes to their E&C programs to

adapt to remote and hybrid working environments—2x more than less-effective programs who report the same (50%).

To that extent do you agree or disagree with each of the following statements about your organization’s response in meeting the challenges of the past 12 months?

(% Agree)



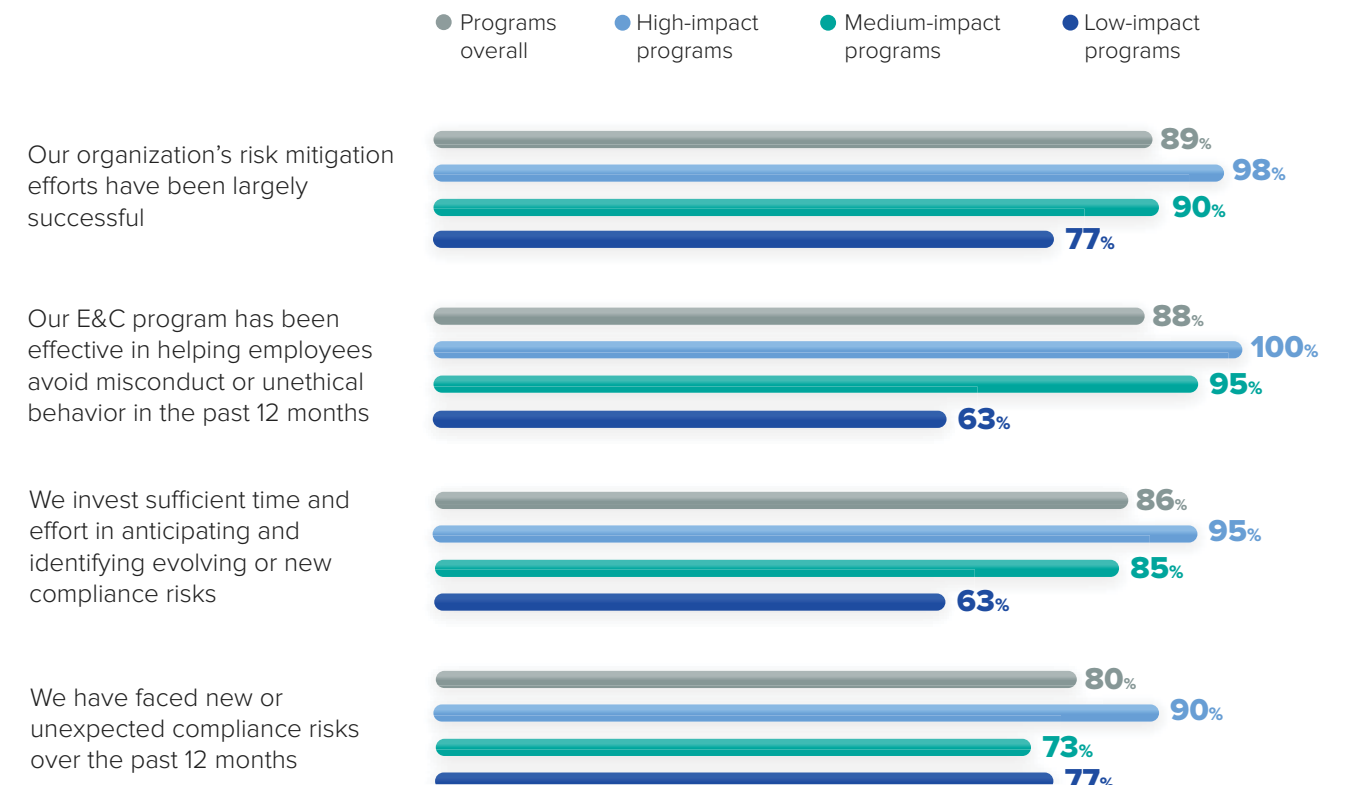
High-performing programs are also 1.4x more likely than less-effective programs to report that E&C considerations have played an important role in how their organizations have responded to challenges (95% compared to 57%).

Notably, high-performing programs rely more heavily on values as the principal means of motivating leaders and employees towards ethical behavior—1.5x more than their less-effective peers—during difficult circumstances. Using values as well as rules is a hallmark of a well-designed E&C program, a finding consistent with LRN research over the years and the most effective design for E&C programs.

When asked if the compliance program has been effective in helping employees avoid misconduct or unethical behavior, 100% of high-performing programs report that it has, while only 63% of less-effective programs have the same impression.

To that extent do you agree or disagree with each of the following statements about your organization’s compliance risk response and mitigation efforts?

(% Agree)



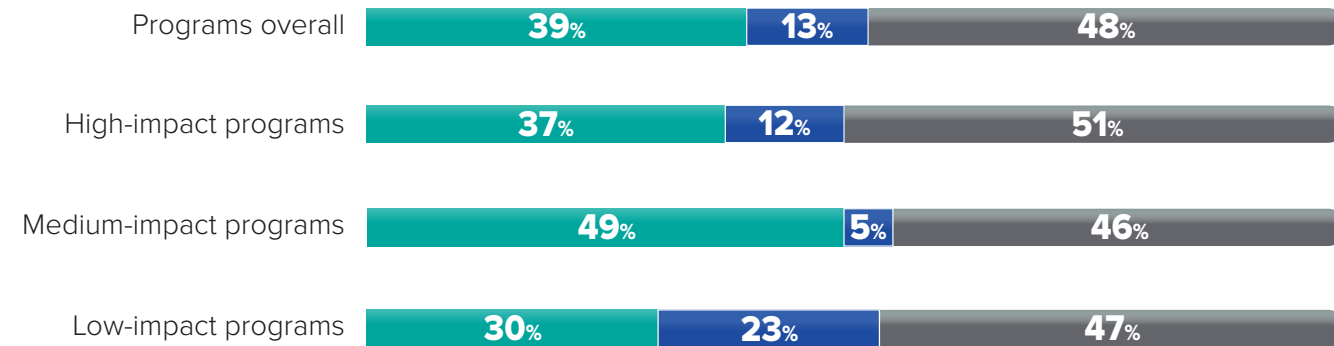
Overall, the power of values yields positive results when it comes to effective risk management. When asked if the program devotes appropriate effort in identifying evolving compliance risks, high-performing programs report “yes” 95% of the time—while less-effective programs only affirm this dedication 63% of the time. And the vast majority of high-performing programs (98%) report their risk mitigation efforts have been largely successful.

Making training more effective and risk based

Training is an essential component of all E&C programs. Over time, training has evolved away from long, complex “lectures” towards a focus on content tailored to how employees learn best. Increasingly, E&C programs in Singapore are adopting a hybrid approach, combining live custom training with online content to efficiently and effectively train their employees.

How do you train your workforce on ethics and compliance topics?

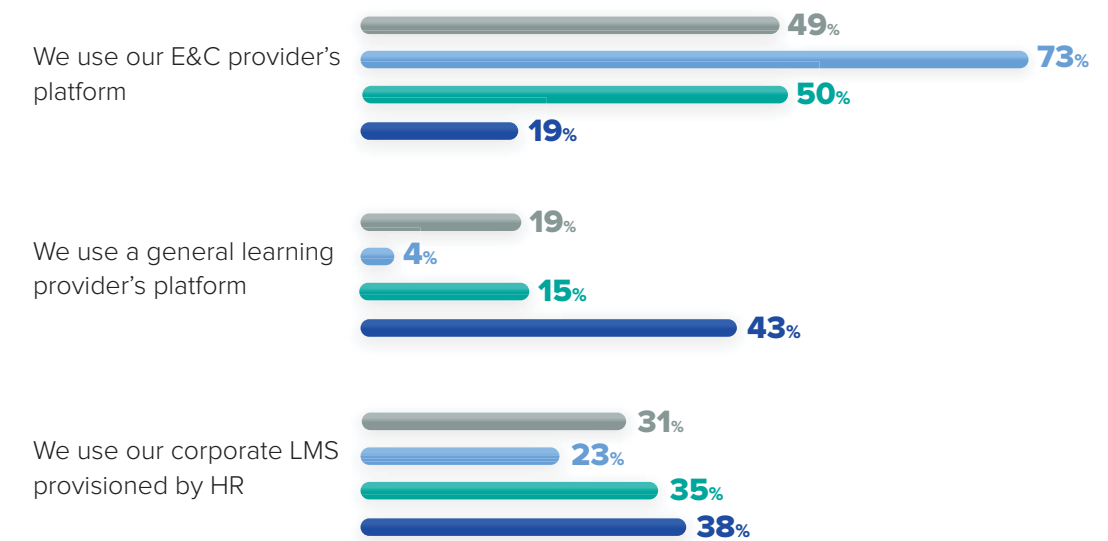
● We conduct live/classroom training only
 ● We rely on online e-learning only
 ● We use a combination of live and e-learning



Notably, high-performing programs in Singapore are almost 4x more likely than less-effective programs to use a specific E&C learning platform to deliver training (73% compared to 19%). This is encouraging, as outside providers typically offer more advanced data analytics and better platform performance.

How do you distribute your online E&C training?*

● Programs overall
 ● High-impact programs
 ● Medium-impact programs
 ● Low-impact programs



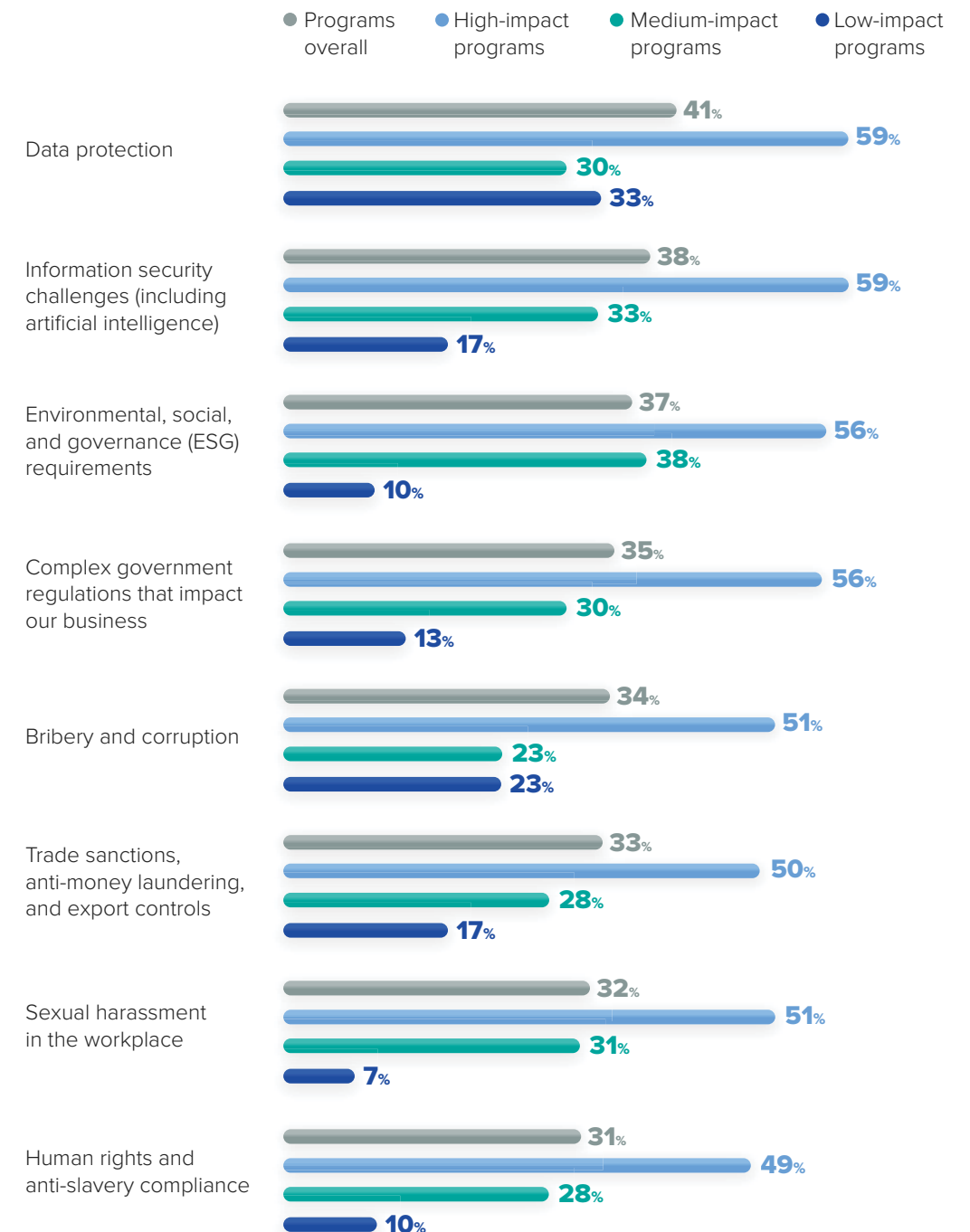
*Question only shown to respondents that answered “online e-learning” or “a combination of live and e-learning” to the previous question





When examining specific compliance risks, the gulf between high-performing programs and less-effective programs in addressing risks becomes very clear. Some risk topics, like ESG and harassment, are addressed with “a great deal of effort” at a rate of 5x to 7x greater in high-performing programs. We can also see a wide gap between the effort put forward by high-performing programs versus less-effective programs on topics such as data protection, regulation, information security, human rights—in many instances at a rate of 3x to 4x greater.

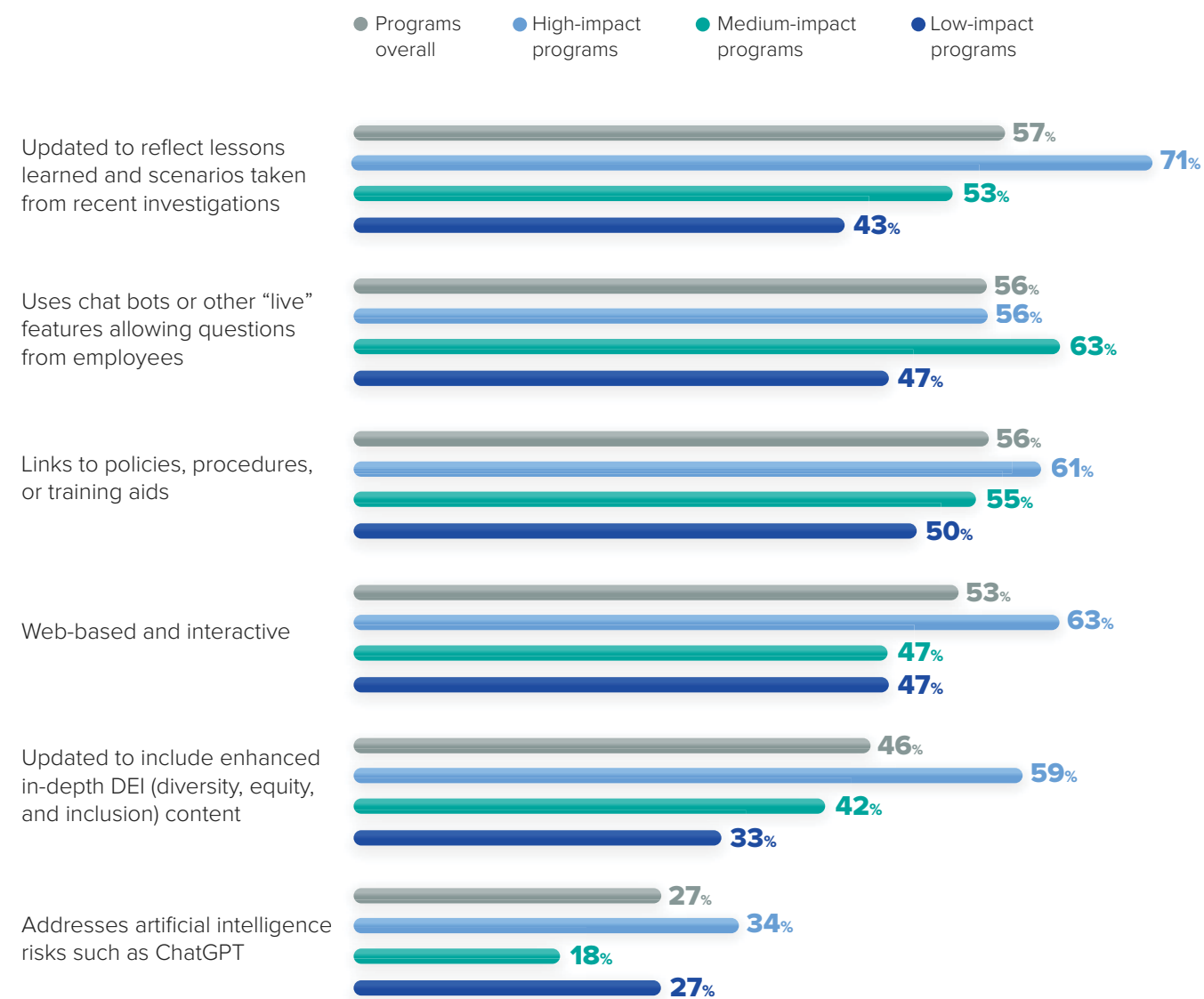
How much effort does your program expend on the following areas? (% A great deal of effort)



Enhanced and accessible codes and policies

The cornerstone to any effective program is having clear, accessible written standards that explain risks, detail expectations, and project the cultural importance of compliance and ethics. Along with clear and accessible compliance policies, organizations in Singapore also report using enhanced features in their codes of conduct. There is, however, a significant gap in adoption of enhanced code features between high-performing programs and less-effective programs in Singapore. High-performing programs updating their codes based on lessons learned from investigations at a rate nearly 30% greater than less-effective programs.

Please select the following features that apply to your organization's code of conduct





High-performing programs are also more likely to make their codes more interactive and web-based, with nearly two-thirds of programs already adopting this format. According to LRN's [2023 Code of Conduct Report](#), although the most common format for a code of conduct is a digital PDF, more and more companies are beginning to put their codes into a web-based format. The key driver of this trend is the desire to extract meaningful data on employees' interactions with the code, something that cannot be done with a PDF. In addition, a well-designed web-based code will be more engaging, interactive, and accessible.

Web-based codes of conduct

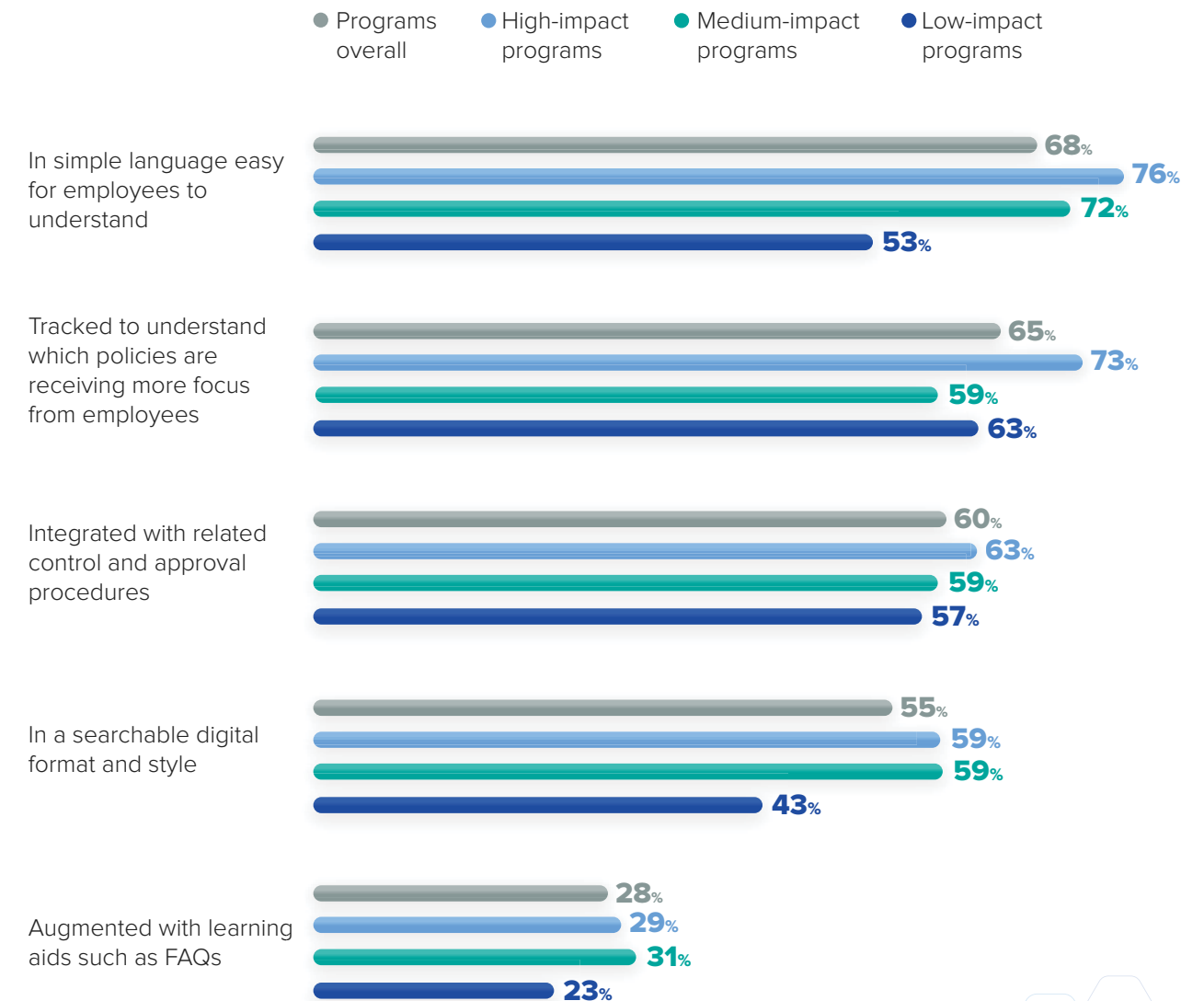
We are seeing an increase in interest in and utilization of web-based codes of conduct by companies throughout the world. Such codes are gradually supplanting the traditional digital PDF, which has served companies well but is not up to the challenges faced by E&C professionals today.

Advantages of web-based codes of conduct include:

- **Data analytics:** Ability to track employee interactions with the content, such as site visits, page visits, time on page, and search terms
- **Enhanced interactivity:** Includes robust navigation, searchability, live decision trees, "click-and-reveal" content, and embedded videos
- **Mobile responsive:** Automatically adapts to fit the device or screen used to access the code, with full functionality
- **Consistent user experience:** People are used to navigating websites to find the information they need

High-performing programs in Singapore also lead significantly ahead of less-effective programs in implementing effective tools for written standards, like simple language (76% to 53%) and searchable formats for their code and policies (59% to 43%).

Please select the following features that apply to your organization's policies



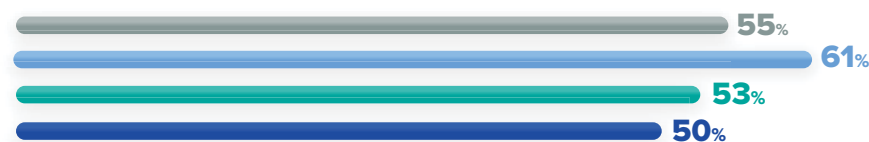
Encouraging a speak-up culture

E&C programs in Singapore apply helpful features to their reporting systems, making them more accessible to employees. There is, however, a distinct difference in the application of these features from high-performing programs. High-performing programs are more encouraging of a speak-up culture, providing anonymous reporting, links to non-retaliation policies, and clearly explaining how reports will be handled by their organizations.

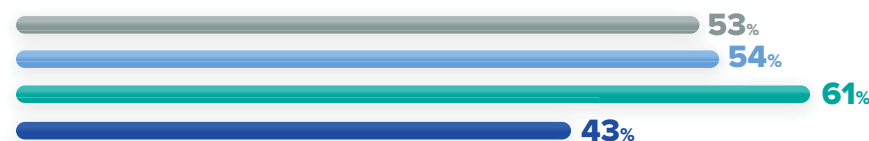
Does your hotline have any of the following features?

● Programs overall ● High-impact programs ● Medium-impact programs ● Low-impact programs

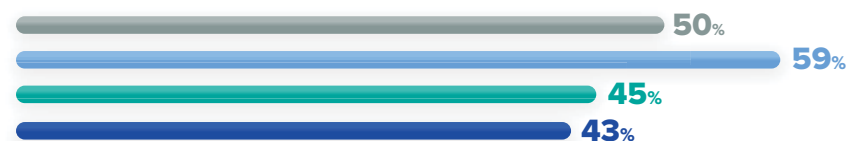
An explanation of how complaints are handled in simple, clear terms



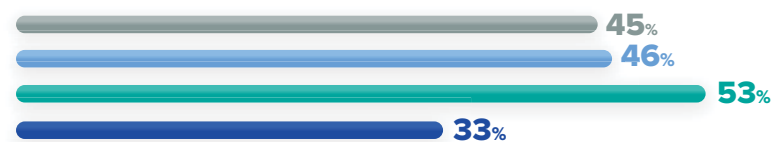
A separate or integrated helpline to encourage employees to get help with issues and questions as well as report misconduct



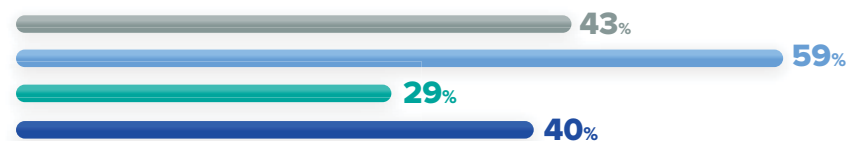
Anonymous reporting



Translations for non-English speakers



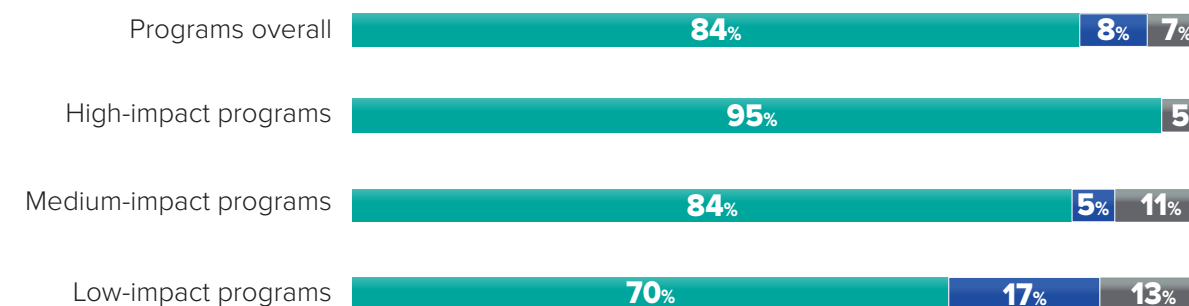
Links to your non-retaliation policy



Additionally, nearly all high-performing programs (95%) report having a mechanism to track reports made to managers or human resources, whereas only 70% of less-effective programs report the same. This is a growing best practice, as studies show that the great majority of E&C complaints are made to managers or HR.

Do you have a mechanism to track complaints raised by employees to their managers or the Human Resources department?

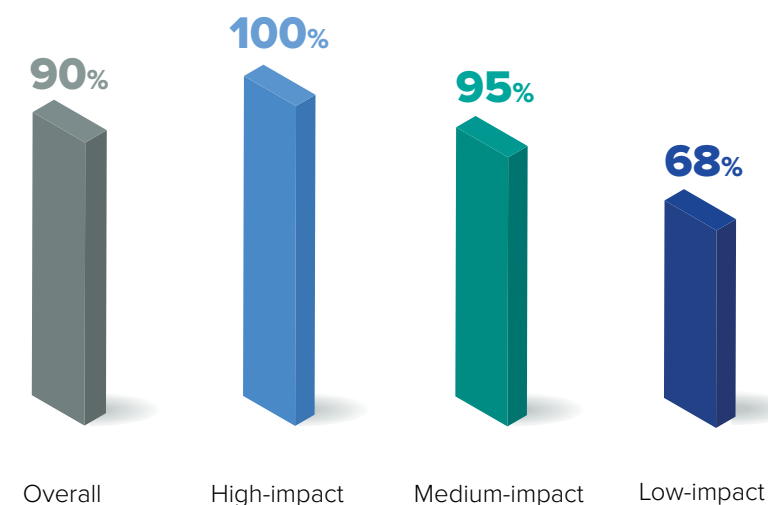
● Yes ● No ● In some but not all areas of the business



Finally, a full 100% of high-performing programs surveyed report that their E&C function has access to multiple data sources regarding employee concerns or complaints, better ensuring that all voices of the organization can be heard.

Our E&C function has access to multiple sources of data regarding employee concerns or complaints

(% Agree)



Conclusion

LRN's annual *Ethics & Compliance Program Effectiveness Report* can be a valuable resource for organizations in Singapore to review their practices and benchmark their program resources against not only high-performing programs in Singapore, but also programs globally. This report shows where high-performing programs are making an impact and provides insights into what initiatives and resources programs in Singapore plan to focus on in the coming year.

While organizations in Singapore show strong support for compliance within leadership, Singapore does lag behind peers in percentage of organizations where compliance reports directly to the board, leaving room for improvement. Singapore organizations report consistently about identifying issues and challenges and adapting strategies to address those challenges. Even so, organizations in Singapore recognize continuing challenges in properly resourcing their compliance programs moving forward. While there is a significant gap between the reported performance and maturity of high-performing programs and less-effective programs in Singapore, as there is globally, there is a consistent recognition by the organizations surveyed that the work of improving compliance is important.

About the Program Effectiveness Index

Measuring outcomes, not just activities

The LRN Program Effectiveness Index (PEI) was introduced in 2016 to evaluate the impact that organizations' compliance programs have on workplace behavior. The study provides insight into the ethical culture of the organizations surveyed, not merely their E&C program structures.

The 2024 Ethics & Compliance Program Effectiveness Report is based on a survey of 1,415 ethics, compliance, and legal experts around the world representing more than 25 industries.

How we quantify program effectiveness

LRN's Program Effectiveness Index (PEI) is a proprietary framework for analyzing the impact of E&C programs. Notable for its unconventional approach to program effectiveness, the PEI measures outcomes across three areas of critical workplace behavior rather than measuring program activities (such as the number of employees trained or hotline reports generated, etc.) to gain insight into ethical culture and how the program works "in practice."

The areas we measure are:

Ethical decision-making:

Are the choices employees make animated by values or expediency?

Organizational justice:

Are senior executives and high performers held to the same standards of conduct as other employees?

Freedom of expression:

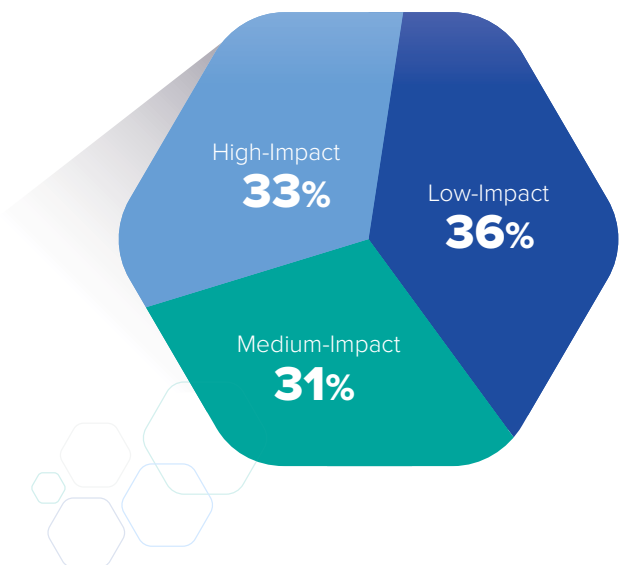
Do employees speak up, contribute willingly, and exchange ideas freely?

Respondents rated their organizations against the following eight statements using a five-point agree/disagree scale:

- 1 Top performers are held to the same standards as everyone else.
- 2 Managers hold themselves to the same standards as everyone else.
- 3 Leaders explain how our values influence their decision-making.
- 4 Even under pressure, employees follow our values and code of conduct.
- 5 Employees in my organization voice their opinions in team meetings, even in front of managers.
- 6 Employees in my organization question decisions that don't seem to match our values or ethical standards.
- 7 Employees in my organization don't compromise our ethical standards to achieve results.
- 8 Employees in my organization are comfortable going above their boss to raise ethical concerns.

We combined and averaged these responses to generate an overall PEI score for each survey participant's organization. LRN then analyzed PEI scores across tertiles (or thirds). We consider those programs that fall into the top tertile to have a "high-impact" on organizational culture and strategy as demonstrated by their indicia of a healthy ethical culture. Those that fall in the middle and bottom tertile are characterized as having "medium-impact" and "low-impact" on organizational culture and strategy, respectively. The distribution of programs is as follows:

Distribution of E&C programs



LRN's Program Effectiveness Index and accompanying report therefore ranks programs by their workplace impact. This methodology differs from most surveys of E&C programs, the majority of which focus on measuring activities, not outcomes. This approach is consistent with the shift in regulators' approach to evaluating E&C program effectiveness and the extent to which programs work "in practice."



Methodology

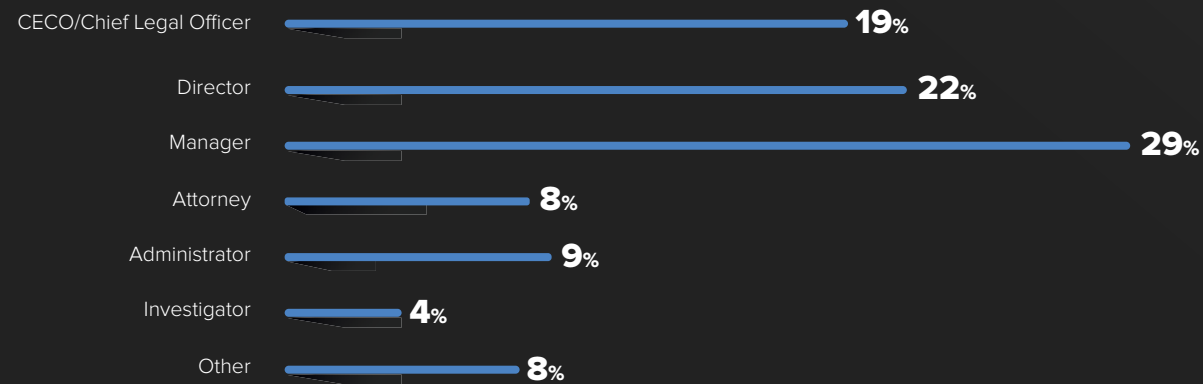
The survey results presented in this report are based on completed online interviews with a sample of 112 ethics, compliance, and legal professionals from corporations and organizations in Singapore; 81% from organizations greater than 1,000 employees. Participants were drawn from global panels fielded by research firms Sago and Dynata, as well as LRN's organic promotion efforts. All survey respondents were pre-screened to ensure their job responsibilities involve development, oversight, or implementation of ethics and compliance and/or legal objectives, policies, or procedures. The survey was fielded in November 2023.



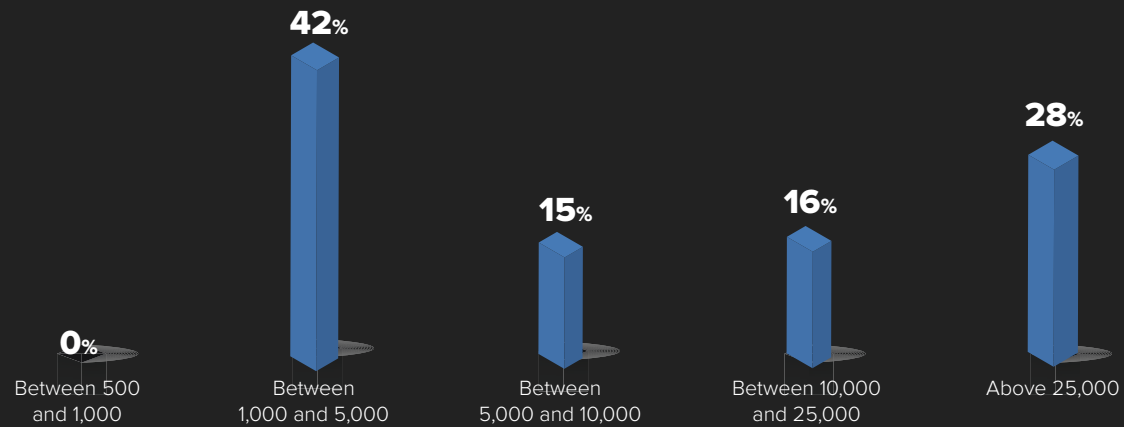
About the 2024 Ethics & Compliance Program Effectiveness Report

Respondent demographics

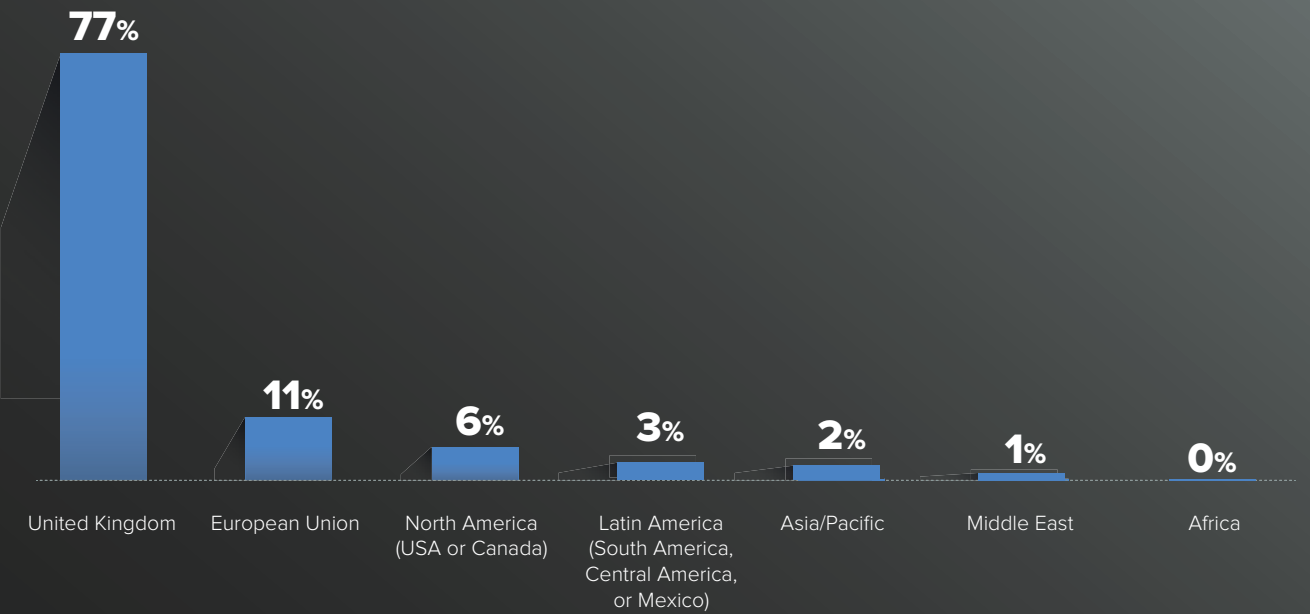
Participant role



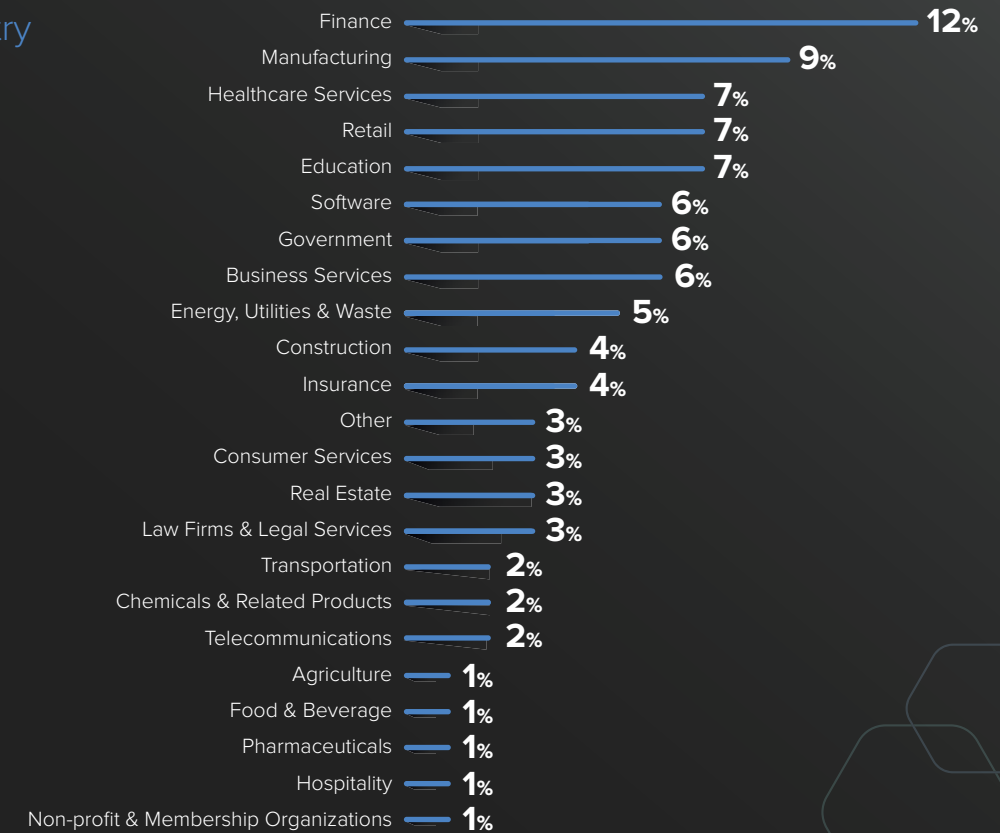
Company size (# employees)



Organization headquarters



Industry



Leverage our **expertise**

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