



## Measuring the Ethical Climate with KPMG's 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 pressure 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 to what extent undesirable behavior takes place, what the attitude to such behavior is and what leads employees into behaving desirably or undesirably. 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 you develop and conduct effective trainings and awareness activities?

### KPMG's Integrity Thermometer Survey

KPMG's *Integrity Thermometer* is a concise, tried and tested questionnaire among employees. 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 KPMG's Integrity Thermometer

KPMG's *Integrity Thermometer* is based on an academic model. It consists of eight organizational aspects.

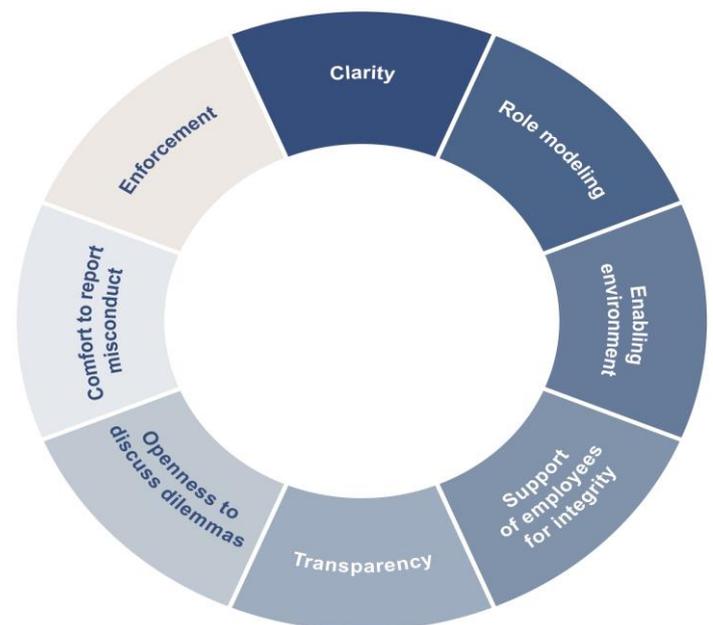


Figure 1: The Theoretical Model of the Integrity Thermometer

Each aspect of this model is translated into a number of questions. The questions are scientifically tested. The questions can be further customized depending upon the specific situation.

- **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.

### How can we help?

KPMG's *Integrity Thermometer* will:

- Give you an overview and true picture of the level of integrity within your organization
- Provide you with benchmark opportunities.
- Create awareness within your organization.
- Send a strong signal from management fulfilling its role model.
- Provide you with specific and action-based recommendations on how to improve the level of integrity within your organization.

### Why KPMG?

There are various reasons why organizations choose to make use of KPMG's *Integrity Thermometer*. These include:

- **Experience:** The tool has been already deployed at many organizations since 1995. The questionnaire has been developed by KPMG based on academic research.
- **Benchmarking and customization:** The questionnaire can be applied to every organization. This makes it possible to benchmark the results with other organizations of interest. There is also the opportunity to include questions for a specific organization or a particular sector only.

- **Action oriented:** The results of KPMG's *Integrity Thermometer* survey gives practical 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.

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