

Caught in the Middle



2025

Ethics & Compliance
Program Effectiveness Report

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Introduction



Inspiring Principled Performance is core to what we do at LRN. It reflects our unwavering commitment to helping people around the world do the right thing and builds on our deep understanding of what makes ethics and compliance (E&C) programs truly effective. Welcome to the 2025 Ethics & Compliance Program Effectiveness Report, which offers invaluable insights into the foundations of ethical culture and the evolving challenges organizations face globally.

The 2025 report marks another important step in our decade-long research into E&C program effectiveness. Since 2014, LRN has been dedicated to identifying and sharing best practices that define successful programs. Over the past 11 years, our work has expanded to include emerging trends, regional insights, technological advancements, and regulatory shifts—all of which have shaped the modern compliance landscape.

This year's report is based on surveys of over 1,500 ethics and compliance professionals and employees from organizations across industries and regions. Respondents came from companies of all sizes, including those with a global presence in North America, Europe, and Asia-Pacific. New this year is a direct juxtaposition of employee experiences with those of compliance professionals, providing a deeper understanding of the alignment—or gaps—in perceptions of program effectiveness.

For the analysis in this report, LRN categorizes E&C programs as high-impact, medium-impact, or low-impact based on their reported focus on ethical culture. Culture impact is measured by reviewing:

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?

Building on the trusted methodology we have developed over 30 years, the 2025 Report identifies critical differentiators that set high-impact programs apart, highlights persistent gaps between high- and medium-impact programs, and provides actionable recommendations for addressing these disparities.

Key findings



The benchmarking gap between high- and medium-impact programs has grown to **1.9x**, with high-impact programs nearly twice as likely to use benchmarking data, reporting data, and leverage advanced tools, including data analytics and automation to manage compliance.



Perception gap regarding middle management—over a **2x** gap between positive perceptions of middle management making difficult decisions consistent with company values (37%) and the perception of executives leading with values when it comes to difficult choices (79%).



Misconduct trend analysis use—greater for high-impact programs who report 63% usage compared to 33% for medium-impact programs. The high-medium multiplier for misconduct trend analysis is **1.9x**.



Emerging generational divides in ethical culture, particularly with younger employees—with Gen Z employees **2x** more likely to report skepticism regarding managerial fairness.



Increased focus on emerging risks, such as third-party due diligence and supply chain compliance, where medium-impact programs lag behind by as much as **2.3x** in adoption rates.



Balancing gains while recognizing persistent challenges faced by organizations. For two consecutive years, the top challenges remain unchanged:

- Outdated internal systems (64%)
- Complex regulatory environments (59%)
- Budget constraints (55%)
- Mergers and acquisitions (M&A) pressures (52%)
- Staff shortages (51%)

These hurdles not only limit operational efficiency but also constrain programs' ability to adapt to emerging risks. This balance between progress and persistent obstacles underscores the importance of leveraging technology, enhancing training, and securing resources to sustain momentum in advancing ethical culture.

1

The gap between high- and
medium-impact ethics &
compliance programs



Divergence in benchmarking, tools, and resource adoption



Use of benchmarking, tools, and thoughtful resource adoption is a cornerstone of modern E&C programs, enabling organizations to measure performance against their peers and industry standards. However, a stark contrast exists between high-impact and medium-impact programs in the adoption and utilization of benchmarking, tools, and resource allocation for compliance initiatives. High-performing programs leverage these tools to drive data-driven decisions, while medium-performing programs face persistent challenges, widening the gap over time. Some examples of these gaps include:

Misconduct analysis: High-impact E&C programs demonstrate a significantly greater reliance on misconduct trend analysis, with **63%** of these programs actively utilizing this tool compared to only **33%** of medium-impact programs. This disparity reflects the critical role of data-driven insights in identifying, addressing, and preventing misconduct effectively.

Use of employee insights: High-impact programs actively use Speaking Out data to identify areas for improvement within their ethics and compliance frameworks. They are **2.0x** more likely to analyze this data, enabling them to proactively address risks, foster a culture of openness, and reinforce employee trust in compliance processes.

Regulatory expertise: High-impact programs devote significant effort to understanding the complexities of government regulations that affect their business operations. They are **1.9x** more likely than medium-impact programs to prioritize this effort, allowing them to navigate regulatory challenges with precision and agility.

Third-party vigilance: Robust third-party due diligence is a hallmark of high-impact programs. They are **2.3x** more likely to prioritize third-party evaluation and ongoing audits, minimizing risks, and ensuring alignment with ethical and compliance standards.

AI preparedness: High-impact programs lead in addressing the challenges posed by emerging technologies. They are **2.2x** more likely to focus on AI risks, **1.4x** more likely to integrate AI into training programs, and **1.3x** more likely to incorporate AI considerations into their code of conduct. This ensures employees are well-equipped to navigate ethical issues related to technology use.

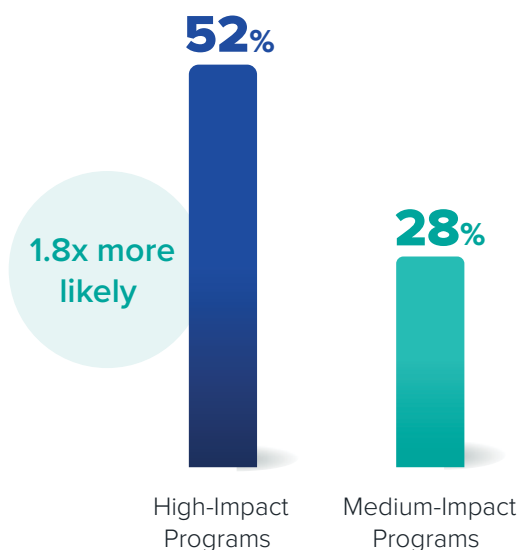
Platform utilization: High-impact programs leverage ethics and compliance provider platforms for deploying key components like training. They are **1.4x** more likely than medium-impact programs to adopt such platforms, enabling scalable, consistent, and efficient program implementation across their organizations.

Benchmarking focus: High-impact programs prioritize benchmarking data as a critical tool for evaluating their effectiveness. They are **1.8x** more likely than medium-impact programs to value benchmarking as a key component and **1.3x** more likely to report benchmarks and external comparisons to their Board. This focus ensures transparency, accountability, and data-driven adaptability in their compliance strategies. Benchmarking is the top-ranked priority for high-impact programs, with **43%** identifying “benchmarking our E&C program against other organizations’ practices” as a critical enhancement, compared to **31%** for medium-impact and **27%** for low-impact programs.

Professionals Survey

How useful are the following in evaluating your program’s impact and identifying areas for improvement?

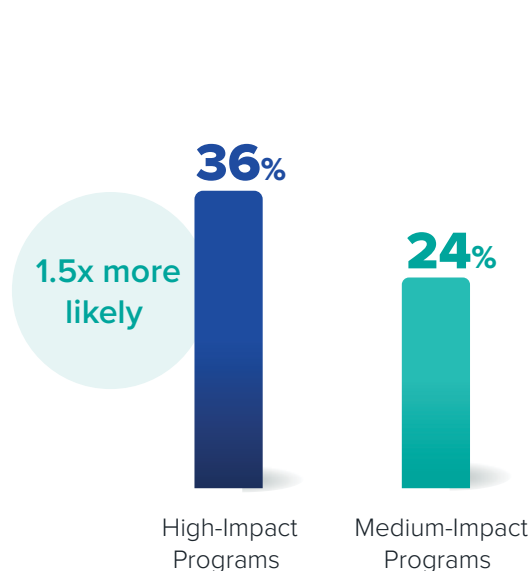
Benchmarking against other organizations’ ethics & compliance programs



Professionals Survey

What methods do you use to measure training effectiveness and impact?

Benchmarking against other companies’ ethics & compliance training



Consequences of the resource gap



The resource gap in benchmarking tools and risk focus has far-reaching implications, influencing both the resilience and agility of compliance programs. High-impact programs, equipped with advanced tools and expertise, are better positioned to navigate regulatory complexities and adapt to emerging risks. Medium-impact programs, on the other hand, often find themselves reactive rather than proactive, struggling to keep pace with industry standards.

Resilience and agility in high-impact programs

High-impact E&C programs demonstrate a remarkable ability to anticipate and mitigate risks. Their ability to collect data alongside robust benchmarking systems enable them to:

Identify trends

By comparing their performance against industry benchmarks, these programs can spot emerging risks early and adjust their strategies accordingly.



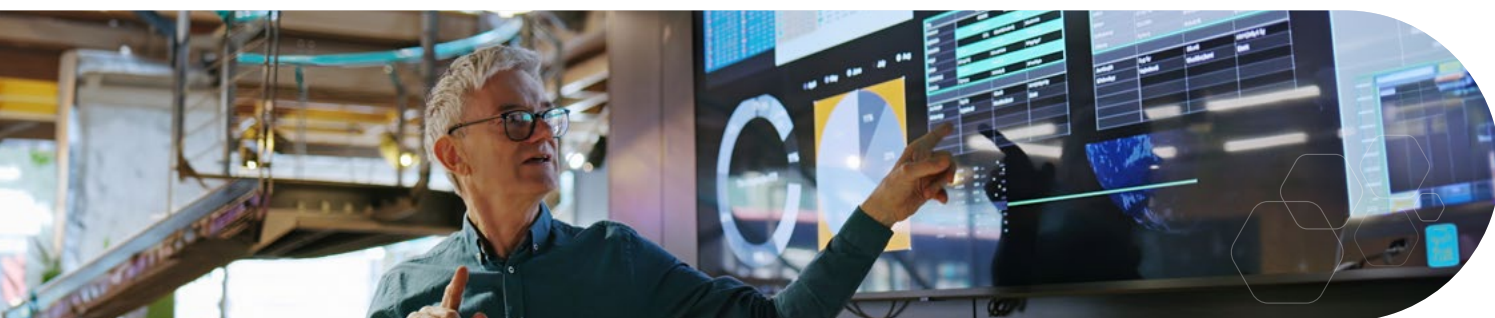
Enhance decision-making

Advanced data analytics provide insights that inform strategic decisions, such as reallocating resources to high-risk areas or implementing targeted training programs.



Improve efficiency

Automation reduces the time and effort required for routine compliance tasks, allowing teams to focus on more strategic initiatives.



Challenges faced by medium-impact programs

In contrast, medium-impact programs often struggle to achieve similar outcomes due to their limited access to benchmarking tools. This lack of resources manifests in several ways:

Reactive compliance

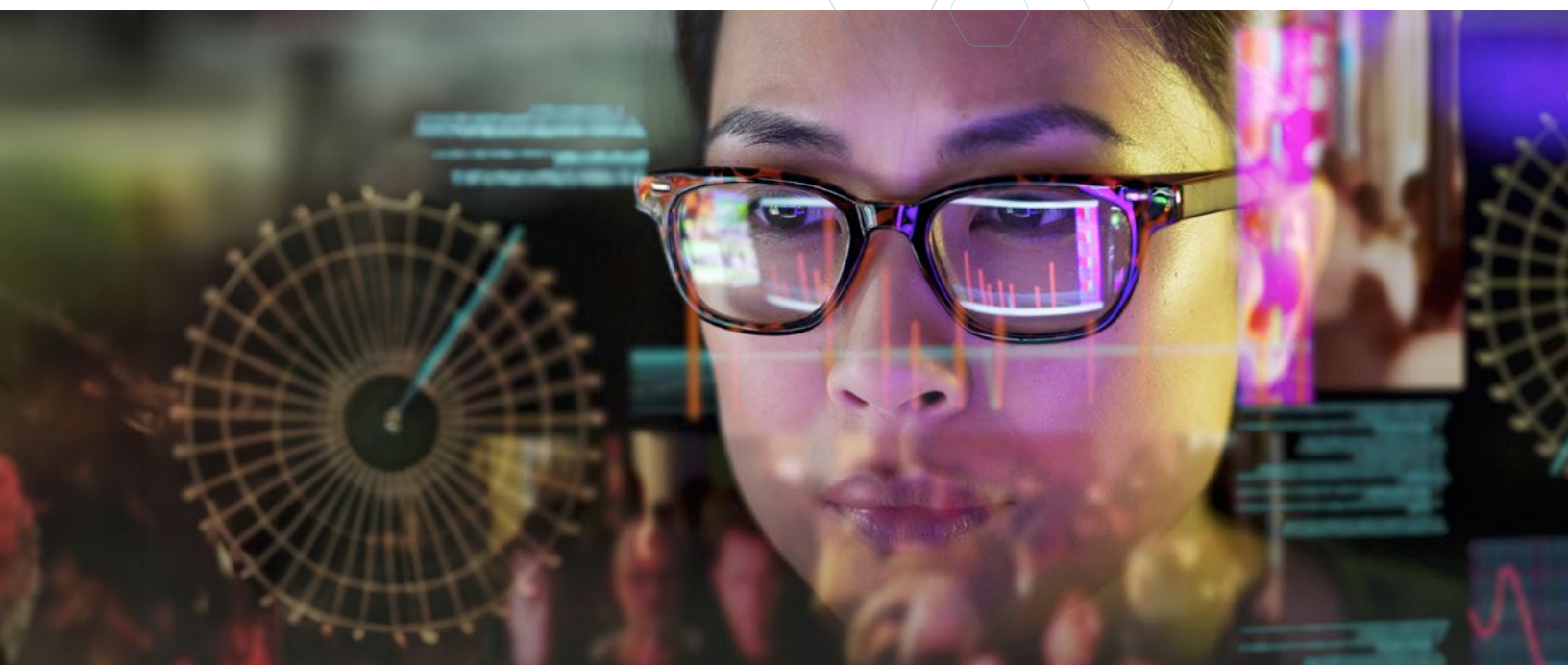
Without benchmarking data, medium-impact programs are more likely to respond to issues only after they arise, rather than preventing them proactively. Medium-impact programs are also less likely to employ root cause analysis after misconduct to address future issues.

Inefficient resource allocation

Limited data makes it difficult to prioritize high-risk areas, leading to suboptimal use of resources.

Inconsistent performance

The absence of clear benchmarks results in uneven compliance across different business units or regions.



Bridging the gap



Addressing the gap between high- and medium-impact E&C programs requires a multifaceted approach:

Enhanced training

Investing in data literacy programs can empower medium-impact teams to make better use of available tools.



Affordable technology solutions

Developing cost-effective benchmarking platforms tailored to medium-sized organizations can democratize access.



Collaborative networks

Encouraging knowledge-sharing between high- and medium-impact programs can help disseminate best practices.

By closing the resource gap, medium-impact programs can enhance their resilience and agility, ultimately elevating the overall standard of compliance across industries.



Key trends

The disparities between high- and medium-impact programs highlight the critical role of resources, data literacy, and advanced measurement tools in driving E&C program success. Addressing these challenges requires targeted investments in benchmarking tools, robust training programs, and collaborative knowledge-sharing to ensure compliance programs can evolve with confidence and agility.



2

Disconnect between
leaders and the
frontline



Widening disconnect trends

One of the most persistent and significant barriers to E&C program effectiveness is the disconnect between organizational leaders and frontline employees. This gap, if left unaddressed, can undermine the credibility and functionality of the E&C program.

The disconnect between leadership and the workforce weakens trust and challenges the translation of leadership messaging into effective practices on the ground. Employees frequently note disparities in how values are enforced, particularly at the managerial level, where middle managers may not always embody the high standards expected of others. This perception fosters skepticism about organizational justice and weakens the foundation of ethical culture. Bridging this gap requires deliberate alignment of leadership actions and communications.

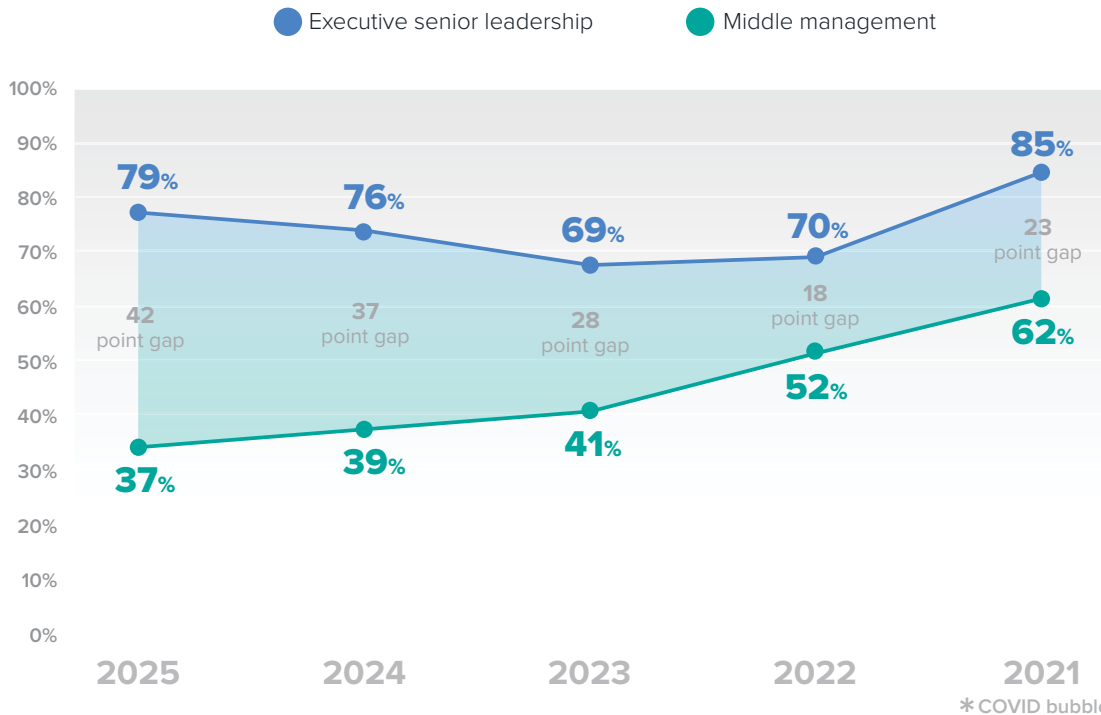
From the perspective of professionals, the gap between executive leadership and middle management has been consistently growing year over year. This trend reached its peak in 2025, marking the widest reported disparity to date. This growing divide is a critical challenge for organizations aiming to foster a cohesive and effective E&C program. The misalignment between leadership tiers not only risks diminishing the credibility of such programs but also hampers their ability to instill consistent values across the organization.



Professionals Survey

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

Made difficult decisions consistent with our company values and purpose



Perceptions of ethical standards

Employee survey data provides further context to this issue, illustrating how alignment with organizational values varies significantly across different levels of the workforce. Among C-suite executives, 81% report that they incorporate values into their decision-making processes, closely aligning with the 79% of executive leadership who express the same. However, this alignment drops sharply when considering middle management and frontline employees.

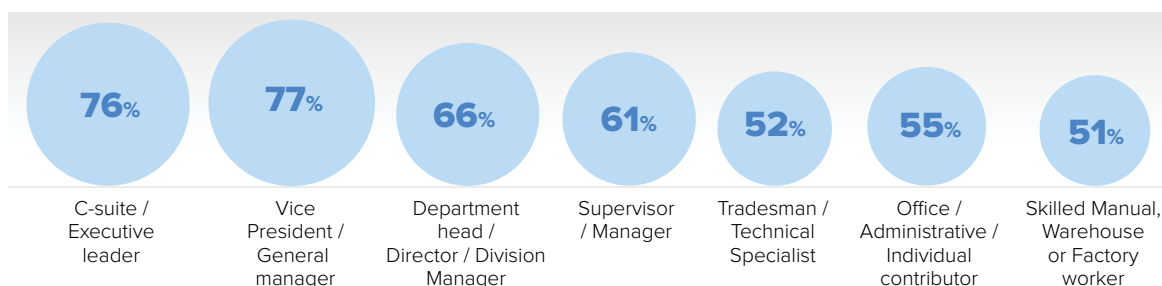
The most striking disparity emerges among frontline workers, such as factory employees, where only 42% report alignment with organizational values in their decision-making. This gap highlights the cascading impact of the disconnect between higher-level leadership and middle management, which serves as a vital bridge to the broader workforce.

As we've seen in previous years, the higher the leadership level, the "rosier" the glasses when it comes to ethical culture. This disparity suggests that while leadership may believe in the robustness of their ethical framework, it is not resonating with or reaching those operating on the ground.

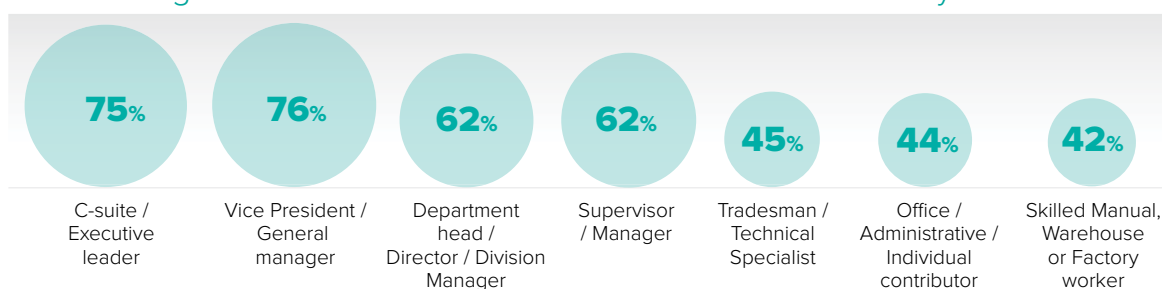
Employee Survey

To what extent do you agree with each of the following statements about your organization's ethical culture?

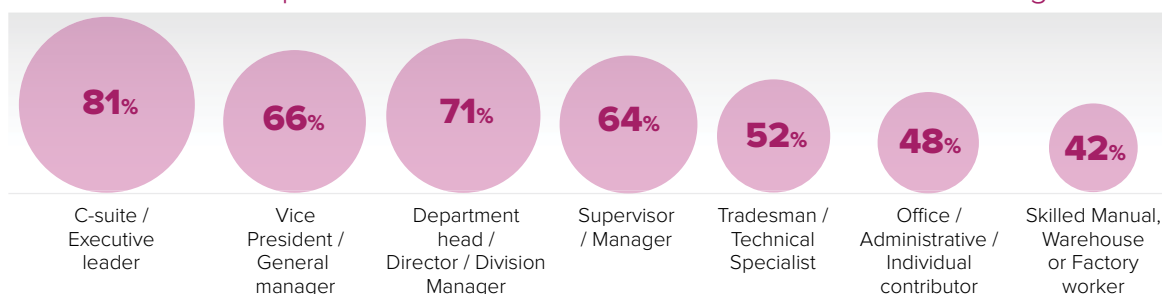
Top performers are held to the same standards as everyone else.



Managers hold themselves to the same standards as everyone else.



Leaders explain how our values influence their decision-making.



This data suggests a few things could be at play:

Lack of visible ethical role modeling from leaders as perceived by employees.

Ineffective communication channels that fail to bridge the gap between policy intent and frontline realities.

A potential disconnect between the stated organizational values and everyday practices.

Accountability gap

Another critical area of misalignment is the perception of consistency in enforcing ethical standards, particularly between senior and middle management. This discrepancy points to an accountability gap, wherein enforcement mechanisms may either be inadequately implemented or unevenly applied.

Consider the Professionals Survey responses to ensuring high performers are held to the same standards of conduct as everyone else:

Professionals Survey

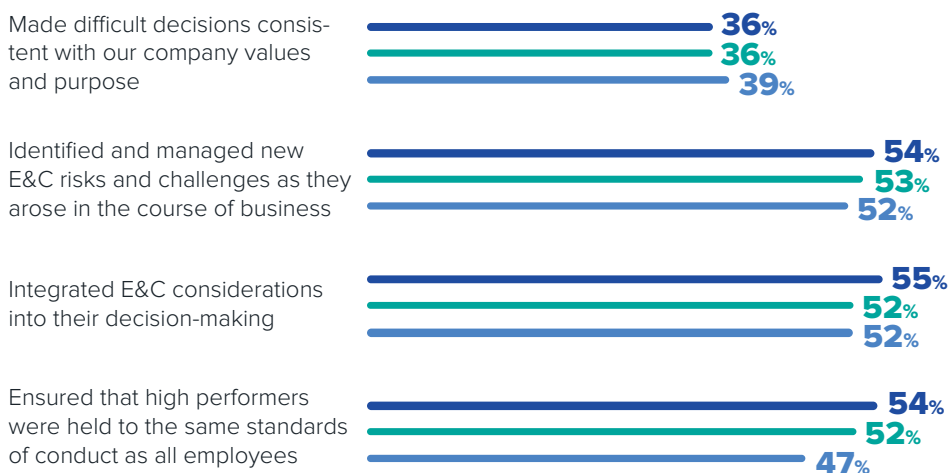
What steps have your organization's leaders taken to respond to compliance risks and challenges in the past 12 months? (% selected)

● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs

Our executive / senior leadership



Our middle management



Contributing factors to this accountability gap include:

Perceived favoritism

or uneven disciplinary measures.



Lack of transparency

in decision-making processes related to compliance violations.



Limited involvement of frontline employees

in feedback loops to evaluate the effectiveness of compliance enforcement.

Addressing these misalignments requires a deliberate focus on fostering a shared understanding of ethical standards and ensuring that accountability mechanisms are perceived as fair and transparent across all levels of the organization. This can be achieved through targeted initiatives such as:

Enhanced communication efforts

Regular town halls, anonymous feedback systems, and accessible reporting mechanisms to ensure frontline employees feel heard.



Leader-frontline engagement programs

Structured opportunities for leaders to engage directly with frontline employees to build trust and gain insights into operational challenges.



Training and development

Tailored programs emphasizing the importance of consistent enforcement and the role of every employee in upholding ethical standards.

By narrowing the divide between leadership's perception and the lived experiences of frontline employees, organizations can strengthen the foundation of their compliance programs and enhance overall effectiveness.

Consistent in both LRN's 2021 and 2024 *Benchmark of Ethical Culture* reports, executive and senior leaders are 2.6x more likely to indicate their organization has a strong ethical culture than individual contributors and frontline employees.

Generational insights



Generational differences further complicate the dynamics between leaders and employees. Gen Z employees, for instance, are less likely than other generations to trust that their managers uphold the same ethical standards expected of them. The data suggest that less than half of Gen Z workers believe their managers hold themselves to the same standards as others. This generational mistrust risks disengagement and reduced compliance engagement in the near future. Addressing these concerns involves proactive transparency, consistent enforcement, and targeted efforts to foster trust across all generations, particularly the young.

Gen Z perspectives

Understanding generational perspectives on ethical leadership is crucial for tailoring organizational compliance programs. Gen Z, often characterized by their values-driven approach to work, presents unique challenges and opportunities in cultivating an ethical culture.

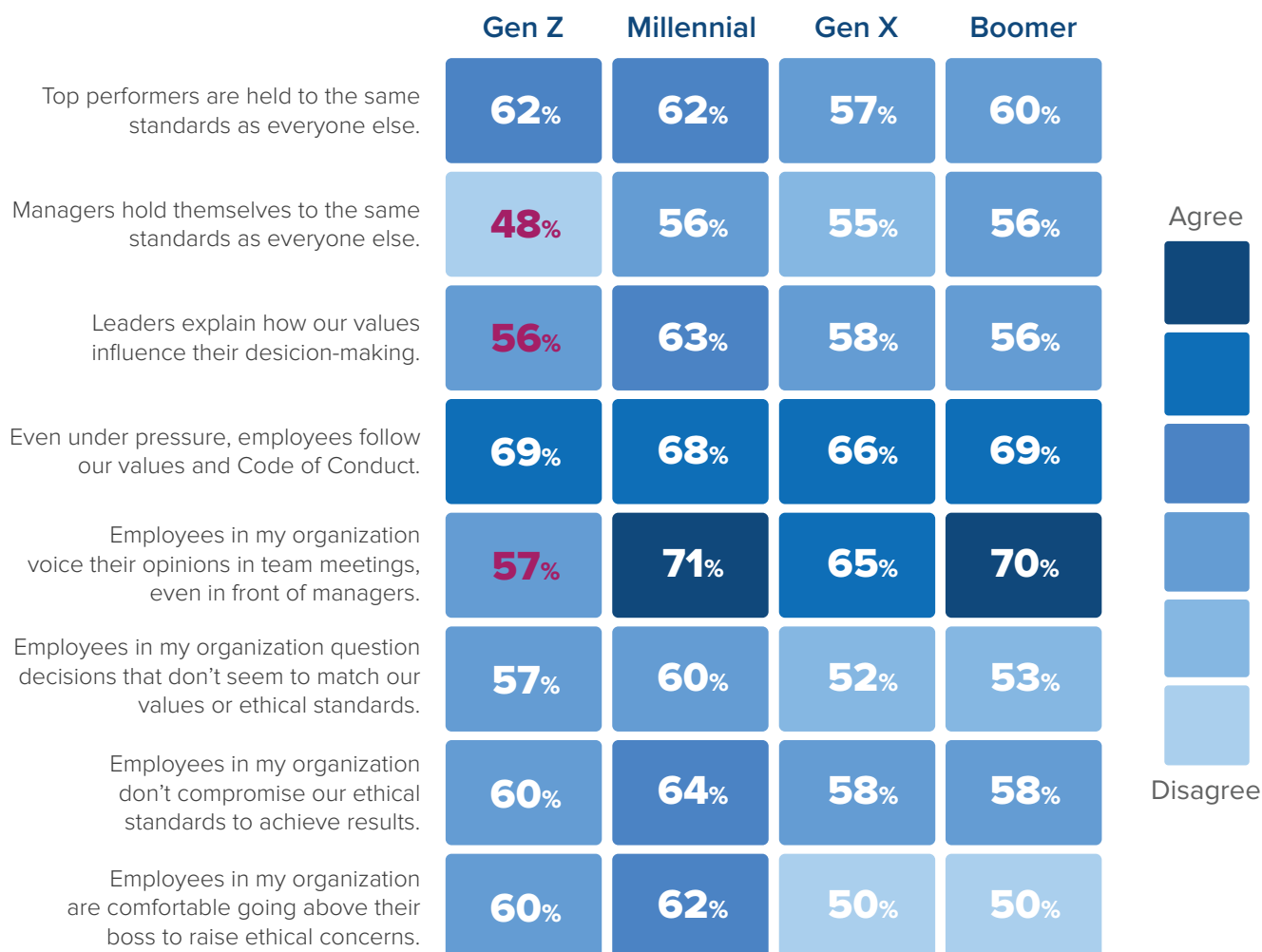
While overall 55% of respondents agreed that managers uphold the same standards they expect of others, Employee Survey findings indicate that less than 50% of Gen Z workers believe their managers hold themselves to the same ethical standards as others. This 48% is the lowest percentage across the generations for this question.

Additionally, among all generational cohorts, Gen Z scored the lowest for the statement, “Employees in my organization voice their opinions in team meetings, even in front of managers.” This finding highlights a critical trust gap and a reluctance among younger employees to engage openly in hierarchical environments, posing a challenge for organizations aiming to foster inclusivity and collaboration.



Employee Survey

To what extent do you agree with each of the following statements about your organization's ethical culture?



Comparative analysis across generations

Baby Boomers and Gen X

Older generations exhibit higher trust in managerial ethics, with significantly higher agreement rates in survey responses. This alignment may stem from longer tenure and familiarity with organizational leadership styles, fostering greater confidence in fairness and accountability.

Millennials

Positioned between Baby Boomers and Gen Z, Millennials show moderate trust levels but express concerns similar to Gen Z, particularly regarding transparency and fairness in enforcement of ethical standards.

Gen Z

Their comparatively lower trust levels highlight a critical area for improvement. Their perceptions are shaped by expectations for equity, transparency, and consistent ethical behavior, reflecting their broader emphasis on values-driven leadership.

Implications for compliance engagement

Generational disconnect:

The pronounced skepticism among Gen Z workers suggests a disconnect between leadership messaging and operational realities at the ground level. Addressing this disconnect is vital to engage and retain this emerging workforce segment.

Generational mistrust poses a significant challenge to fostering robust compliance engagement across organizations. Gen Z employees, who often exhibit skepticism toward managerial fairness and accountability, are less likely to view compliance initiatives as credible or worth their participation. This mistrust diminishes the effectiveness of ethics programs, as younger employees may feel disconnected from leadership's messaging on ethical behavior.

To strengthen ethical leadership across generations, it's vital to engage in transparent communication across the organization, ensuring that leaders actively communicate how ethical decisions are made and modeled, and that they emphasize fairness and accountability.

Generational training

Develop training programs tailored to address the unique concerns of each generation, with a specific focus on Gen Z's expectations for equity and values-driven leadership.



Enhancing visibility

Encourage leaders to engage more directly with employees across all levels, fostering a culture of transparency and trust.

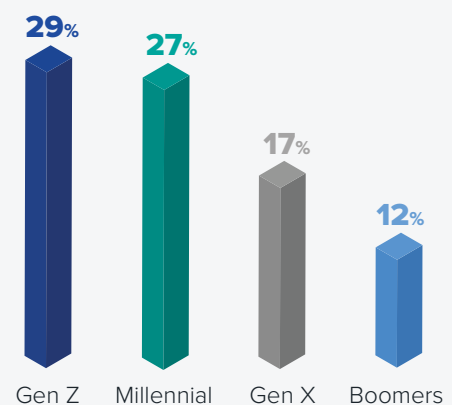
Feedback mechanisms

Create avenues for Gen Z and other employees to voice their concerns about leadership and ethical practices without fear of retaliation, reinforcing psychological safety.

This disconnect is not going away. Emerging as a provocative finding first in LRN's 2024 *Benchmark of Ethical Culture* report, Gen Z reported that they were 2.5x more likely to agree that it is OK to break the rules if needed to get the job done, compared to Boomers.

It is okay to break the rules if needed to get the job done.

(% agree)



3

Low adoption of
compliance efforts for
emerging risks



Third-party due diligence



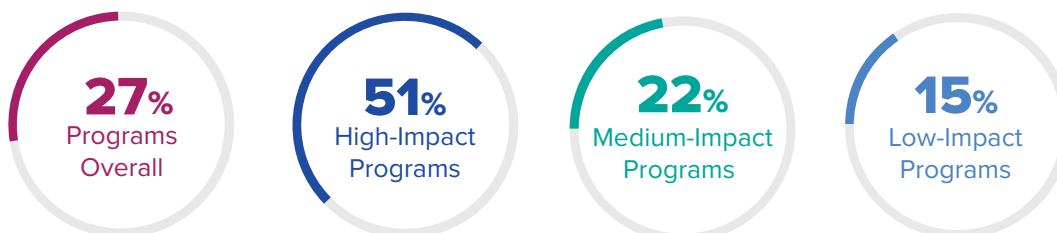
Adoption rates and challenges

Adoption rates for third-party due diligence remain low, particularly among mid-level compliance programs. Survey data reveals that only 27% of organizations overall dedicate significant effort to due diligence before engaging third parties. High-impact programs report higher adoption at 51%, while medium-impact programs lag at 22%, and low-impact programs fall drastically behind at 15%.

Professionals Survey

How much effort does your program expend on the following areas? (% “a great deal”)

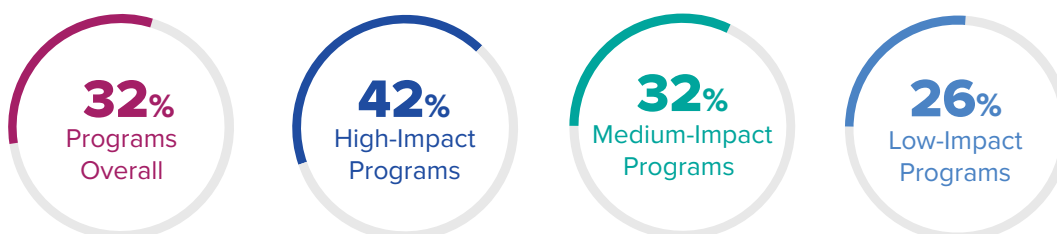
Due diligence before engaging third parties



Professionals Survey

How high of a priority will the following enhancements be to your E&C program in the near future? (% “high priority”)

Focusing on the third-party due diligence and monitoring



In addition, programs overall do not plan to significantly prioritize third-party due diligence in the near future. The disparity highlights potential challenges such as resource constraints, inconsistent enforcement, and lack of tailored frameworks for third-party oversight.

The 2025 survey underscores limited progress in addressing emerging risks such as supply chain oversight and third-party due diligence. High-impact programs lead the way in prioritizing these measures, but many mid-tier and low-impact programs lag behind. The failure to adequately address these risks leaves organizations vulnerable to operational and reputational damage. Effective compliance requires an agile response to evolving regulatory demands, yet many programs cite resource constraints as a barrier.

Vulnerabilities from inadequate due diligence

Insufficient third-party vetting exposes organizations to substantial risks, including fraud, bribery, and regulatory penalties. Data indicates that low-impact programs experience up to three times the vulnerability to compliance violations compared to high-impact programs.

Organizations deprioritizing emerging risks may lack sufficiently robust third-party vetting processes, increasing exposure to fraud and regulatory penalties. Supply chain compliance remains an area of concern, with many respondents pointing to inadequate controls as a critical gap. High-performing programs demonstrate the value of embedding comprehensive risk controls to mitigate vulnerabilities and align with industry best practices.



Supply chain compliance



Compliance gaps in supply chain oversight

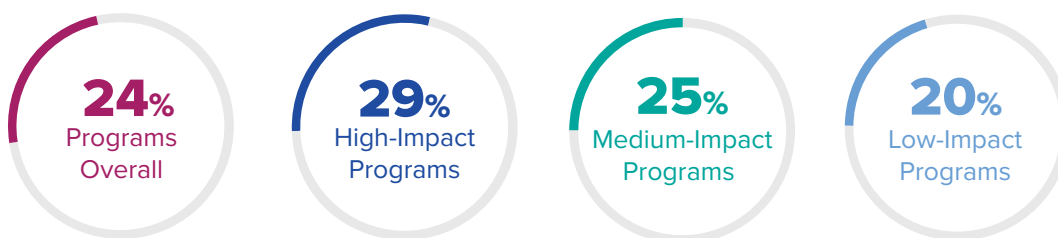
Compliance measures within supply chains are often deprioritized, with only 24% of surveyed organizations identifying this area as a focus in their current training curriculum. High-impact programs demonstrate slightly better performance at 29%, but medium-impact programs (25%) and low-impact programs (20%) indicate pervasive oversight gaps.

There has been a deprioritized focus on supply chain compliance for two consecutive years—even in the face of strengthening regulations and compliance deadlines looming. In a rapidly evolving global ecosystem, organizations should be wary of neglect of supply chain compliance in complex, multi-tiered supply chains where risks often originate.

Professionals Survey

What topics are you considering adding to or strengthening in your current training curriculum?
(Select all that apply)

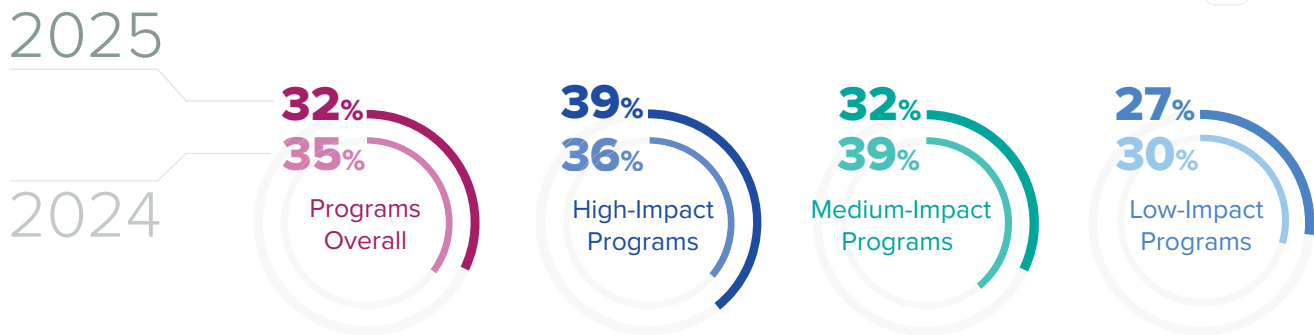
Third party / supply chain



Professionals Survey

Indicate if your E&C team has made any of the following changes in the past 12 months.

Program evolution & focus



Consequences of limited supply chain focus

As regulators have made increasingly aggressive changes in the regulatory landscape in the US and Europe, lack of adequate compliance oversight invites both regulatory and reputational risks that have only become more pronounced. Insufficient oversight can result in violations of labor laws, environmental regulations, and contractual obligations.

For example, industries with sprawling supply chains, such as retail and manufacturing, report a higher prevalence of compliance failures due to limited monitoring. Resource limitations further exacerbate these issues, leading to inconsistent application of standards across suppliers. Organizations must prioritize resource allocation and technological tools to ensure comprehensive compliance management in their supply chains.

To strengthen compliance readiness, organizations should focus on embedding due diligence processes into their operational frameworks and enhancing oversight mechanisms. The data point to a lack of adequate resources to ensure consistent enforcement across multi-tiered supply chains as one source of vulnerability, risking both reputational harm and regulatory violations. Boosting such resources may come in the form of leveraging technology, streamlining risk management practices, and aligning internal controls to address emerging threats effectively.

By addressing these emerging risks, organizations can better safeguard against vulnerabilities and enhance the overall effectiveness of their compliance programs.

Lack of AI-related risk integration

The risks associated with AI, including bias, data privacy breaches, and unintended decision-making outcomes highlight the critical need for compliance programs to address emerging technologies effectively. However, only 26% of professional E&C respondents overall report expending “a great deal” of effort in emerging technologies such as AI. Even for high-impact programs, the number is at less than 50%. There are even lower percentages for addressing AI in codes of conduct, at 24% and 33%.

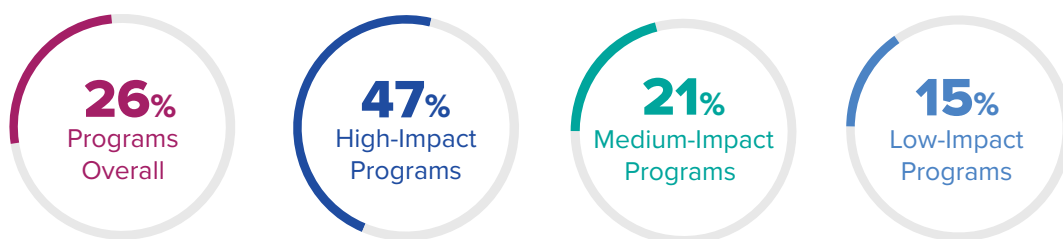
High-impact programs are operationalizing at a much faster rate compared to medium-impact programs but are still in early stage overall with less than 50% of high-impact programs integrating AI into training.

As AI continues to evolve rapidly, these findings underscore the need for broader awareness and proactive measures to mitigate risks associated with emerging technologies.

Professionals Survey

How much effort does your program expend
on the following areas?
(% “a great deal”)

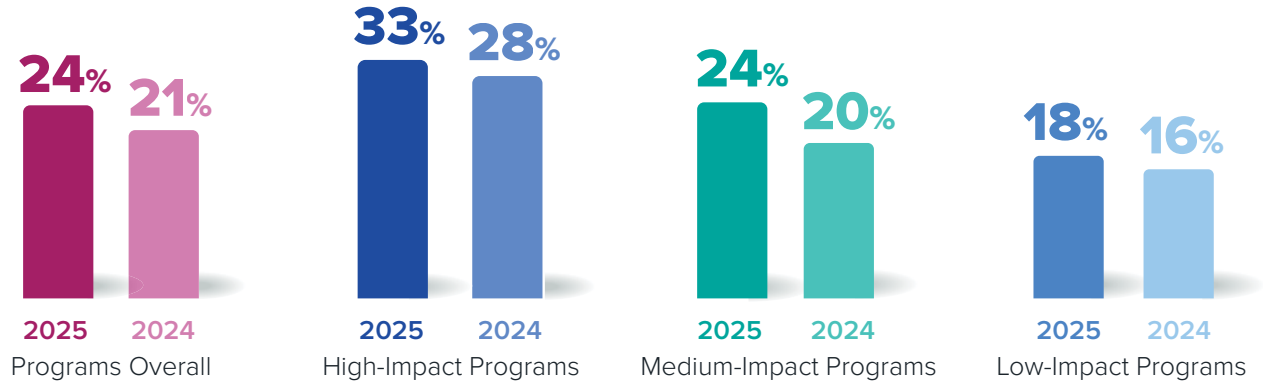
Impact of emerging technology such as artificial intelligence



Professionals Survey

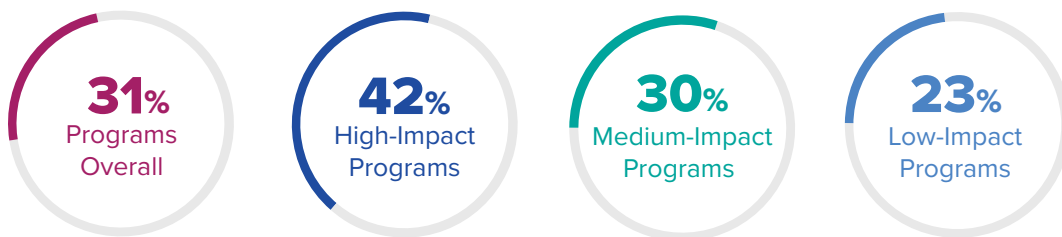
Please select the following features that apply to your Code of Conduct: (Select all that apply)

Addresses artificial intelligence risks such as ChatGTP



Select the features that apply to your E&C training program (Select all that apply)

Has artificial intelligence integrated into the training or used for training delivery



4

Benchmarking data: The emerging value and the rift



Use of benchmarking data



Increasing recognition of benchmarking value

The value of benchmarking data is gaining increasing recognition among high-impact E&C programs. In our survey, high-impact programs were shown to be 1.8x more likely to value benchmarking data.

High-impact programs leverage data to identify areas for improvement and enhance decision-making processes. They effectively use metrics such as employee engagement with E&C resources to refine strategies and strengthen their compliance frameworks. By contrast, medium- and low-impact programs are less likely to appreciate the benefits of benchmarking.

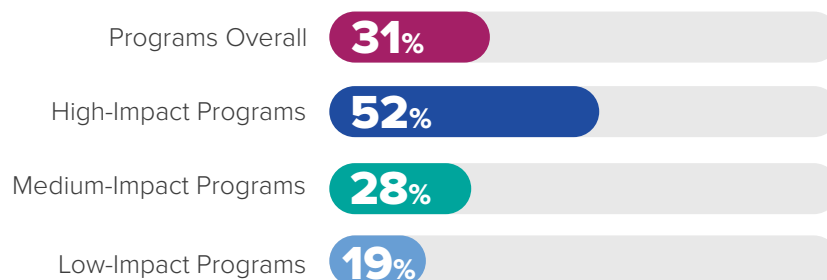
The data show that high-impact programs are more likely to use training and code of conduct data analysis to measure effectiveness than others.

Organizations struggling with benchmarking adoption should prioritize investments in tools and training to make better use of data analytics. Expanding access to benchmarking insights and other data-driven strategies empowers compliance teams to identify and address gaps effectively for continuous improvement.

Professionals Survey

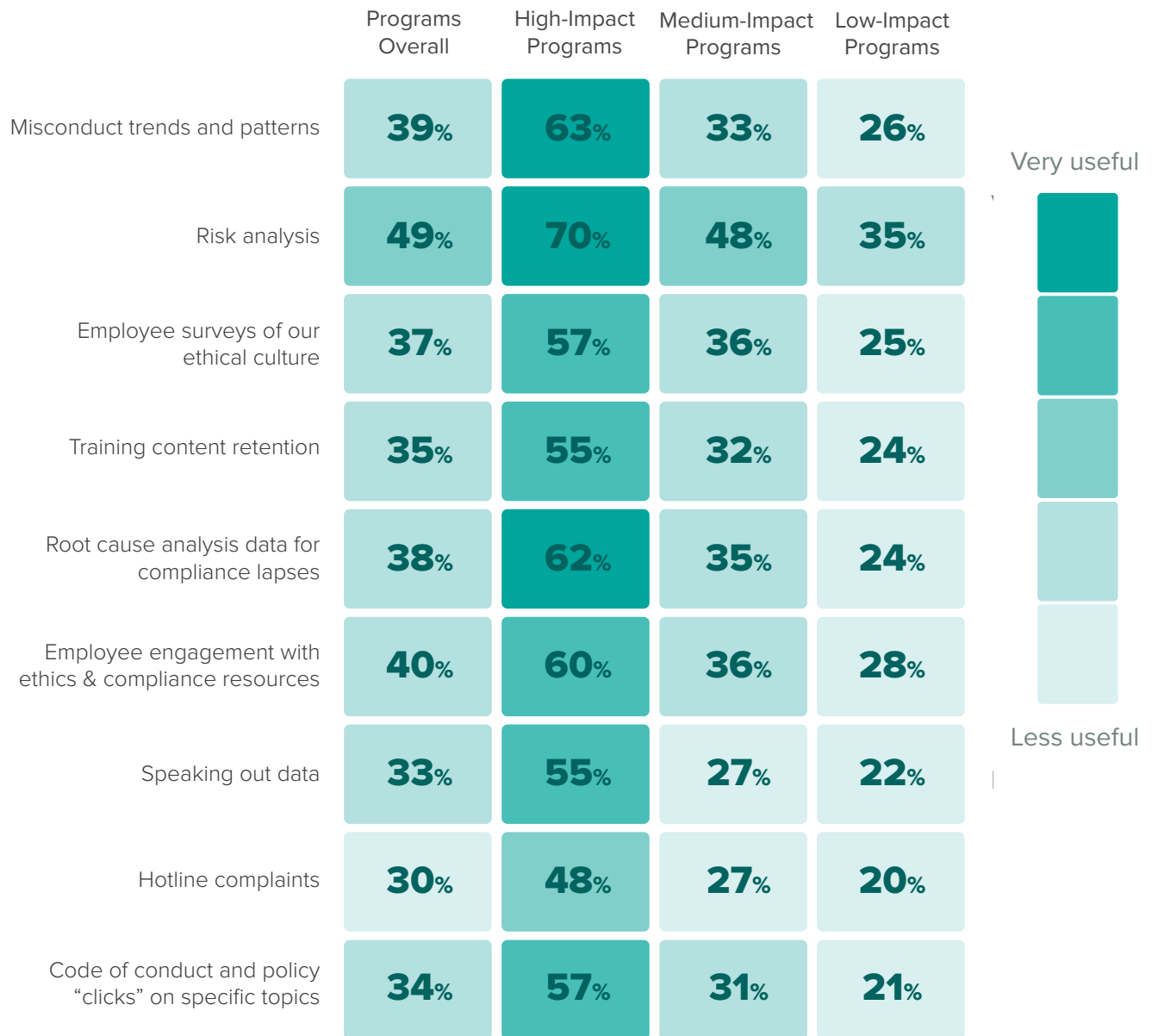
How useful are the following in evaluating your programs impact and identifying areas for improvement?
(% “very useful”)

Benchmarking against other organizations’ ethics & compliance programs



Professionals Survey

How useful are the following in
evaluating your program's impact and
identifying areas for improvement?
(% "very useful")



Professionals Survey

What methods do you use to measure training effectiveness and impact?
(Select all that apply)

	Programs Overall	High-Impact Programs	Medium-Impact Programs	Low-Impact Programs
End of course user surveys	50%	56%	49%	46%
Content quizzes during, at the end, or subsequent to training courses	45%	51%	46%	40%
Data from our training system, such as length of time to master topics, error rates, retake, or quiz results	47%	59%	45%	41%
Data from our code of conduct usage, such as number of clicks and subjects chosen	40%	52%	39%	33%
Root cause analysis of misconduct incidents to identify training failures	38%	46%	38%	32%
Training completion rates	51%	57%	51%	46%
Benchmarking against other companies' E&C training	25%	36%	24%	17%



Data-driven compliance strategies

Benchmarking data supports proactive risk management and continuous improvement by identifying vulnerabilities and best practices. High-impact programs exemplify the use of data-driven strategies. However, despite high-impact programs recognizing the value of benchmarking, there is a disconnect in how many employ it as a tool.

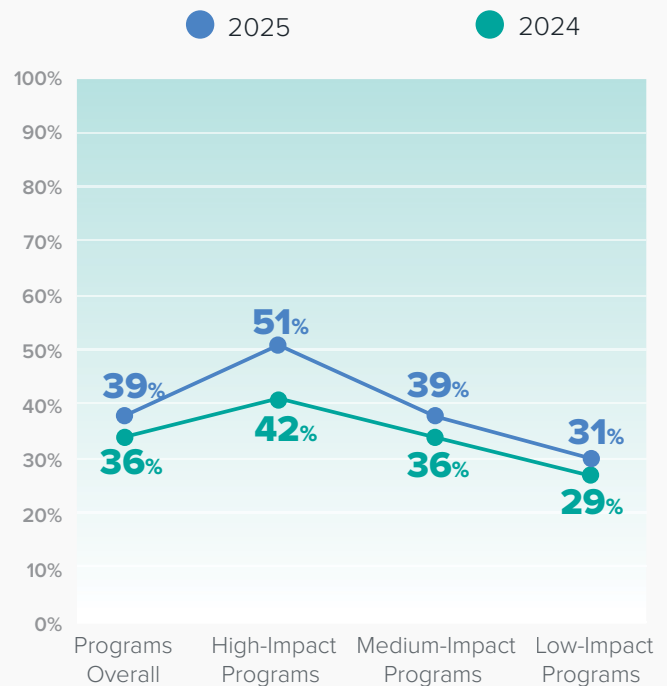
This divide speaks to the fact that benchmarking can be resource-intensive, requiring time, expertise, and financial investment – things that may not always be available. In addition, today's rapidly evolving compliance landscape may make it difficult to find relevant and up-to-date benchmarks, leading some programs to focus on internal improvements instead.

Implications for the compliance landscape

The divide between high- and medium-impact programs in utilizing benchmarking data as well as the disconnect in its importance vs. its use highlights a real need for more widespread adoption. Organizations that invest in benchmarking tools and methodologies not only achieve better compliance outcomes but also position themselves to adapt to emerging risks with agility. As benchmarking practices continue to evolve, the gap between high-performing and underperforming programs underscores the critical role of data in shaping the future of compliance.

What materials and topics does the Board receive and review?

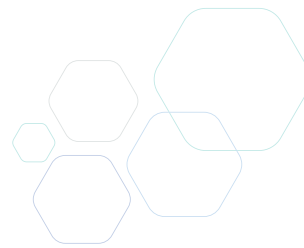
Benchmarks and external comparisons



High-impact programs are 1.3x more likely to report benchmarks and external comparisons to their Board. This represents a 9-percentage point increase over 2024 data.

Conclusion





Summary of findings

The 2025 Ethics & Compliance Program Effectiveness Report provides a comprehensive view of the challenges and opportunities shaping the future of ethics & compliance programs. Key takeaways include:

Widening resource gaps:

High-impact programs continue to outpace medium-impact ones, leveraging advanced tools, analytics, and benchmarking nearly 2x more effectively to navigate complexities and drive outcomes.

Leadership disconnect:

The persistent gap between executive and employee perceptions of ethical culture, particularly in middle management, highlights the need for accountability and visible leadership engagement.

Lagging adoption of emerging risk efforts:

Medium-impact programs trail behind high-impact ones in areas like third-party due diligence and supply chain compliance, where adoption rates are 2.3x lower.

Generational challenges:

Gen Z employees are 2x more likely to express skepticism regarding managerial fairness, emphasizing the need for tailored strategies to build trust and engagement.

Recommendations



To address these challenges, organizations must focus on targeted, scalable solutions that align with their unique resource and risk profiles. Key recommendations include:

- 1 Invest in benchmarking tools:** All programs should prioritize investments in affordable benchmarking solutions to improve data-driven decision-making and risk identification.

Adopt affordable, modular tools capable of assessing organizational performance against global E&C metrics.



Use integrated systems that combine compliance tracking with risk modeling to proactively predict and mitigate potential vulnerabilities.



Adopt benchmarking solutions that support automated reporting and visualization, enabling program leaders to respond in a timely way and articulate data insights clearly to decision-makers.

- 2 Enhance data literacy:** Training programs should emphasize skills in analytics and compliance technology to empower teams and close the knowledge gap.

Develop role-specific training plans for compliance team members and managers, emphasizing the practical application of analytics in risk detection, reporting, and policy enforcement.



Conduct workshops and training focused on the use of compliance tools, emphasizing features like trend analysis, predictive modeling, and compliance data dashboards.



Foster a learning culture by integrating data-driven storytelling sessions into corporate training initiatives, showcasing real-world use cases of effective compliance interventions.

3 **Foster leadership transparency:** Bridging the trust divide requires clear communication, visible ethical leadership, and consistent enforcement of ethical standards across all levels.

Institute engagement programs where managers spend structured time interacting with employees to communicate initiatives, better understand frontline compliance challenges, convey ethical commitments, and build trust.



Enhance transparent feedback mechanisms like anonymous digital suggestion boxes and regular town halls to solicit employee insights on managerial fairness and ethical decision-making.



Implement periodic ethics reviews at all leadership levels to ensure consistency in policy implementation and accountability. Aggregate results should be shared with employees, demonstrating organizational integrity in addressing identified gaps.

4 **Focus on emerging risks:** High-impact programs demonstrate the value of proactive measures like third-party due diligence and supply chain oversight, areas where all programs must catch up.

Implementing scalable third-party risk processes and tools that incorporate consistent vetting protocols and ongoing monitoring via centralized platforms.



Embedding supply chain compliance controls and risk assessment into enterprise resource planning (ERP) systems, ensuring visibility into every tier of the supply chain.



Using advanced monitoring tools to ensure compliance with environmental, labor, and financial standards.

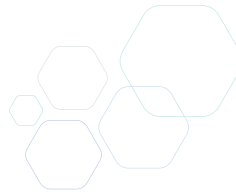


Partnering with specialized third-party compliance firms to augment organizational capacity where resources are limited.



5 **Engage across generations:** Developing tailored strategies to address generational concerns, particularly with younger employees, will ensure long-term engagement and alignment with ethical culture goals.

Future outlook



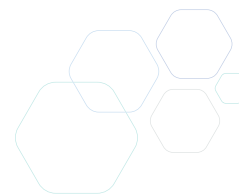
As ethics & compliance programs face increasing demands and evolving risks, the need for a proactive, data-driven approach has never been greater. Organizations that prioritize agility, transparency, and advanced tools will be better positioned to navigate future challenges. By fostering a culture of trust, fairness, and accountability, ethics and compliance programs can transform these challenges into opportunities, ultimately driving principled performance and resilience across industries.

The 2025 Report underscores the importance of continuous improvement, collaboration, and innovation in shaping the future of ethics and compliance. Equipped with these insights, E&C professionals have the tools to strengthen their programs, adapt to changing landscapes, and lead with integrity.



Survey data appendix

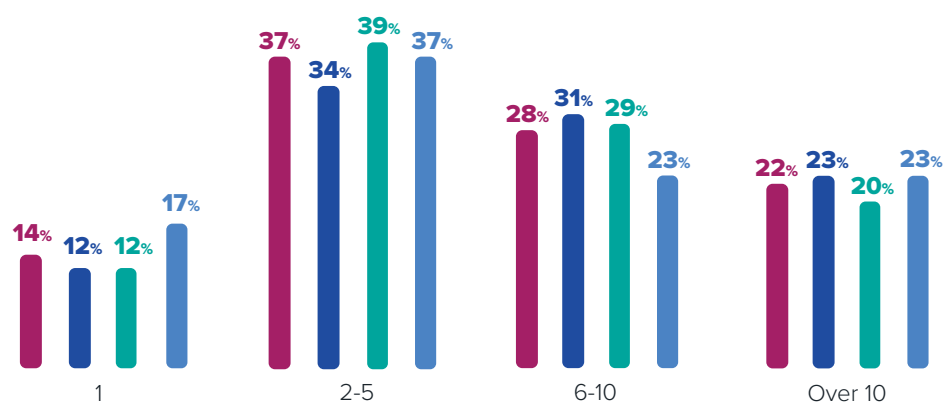
Professionals Survey



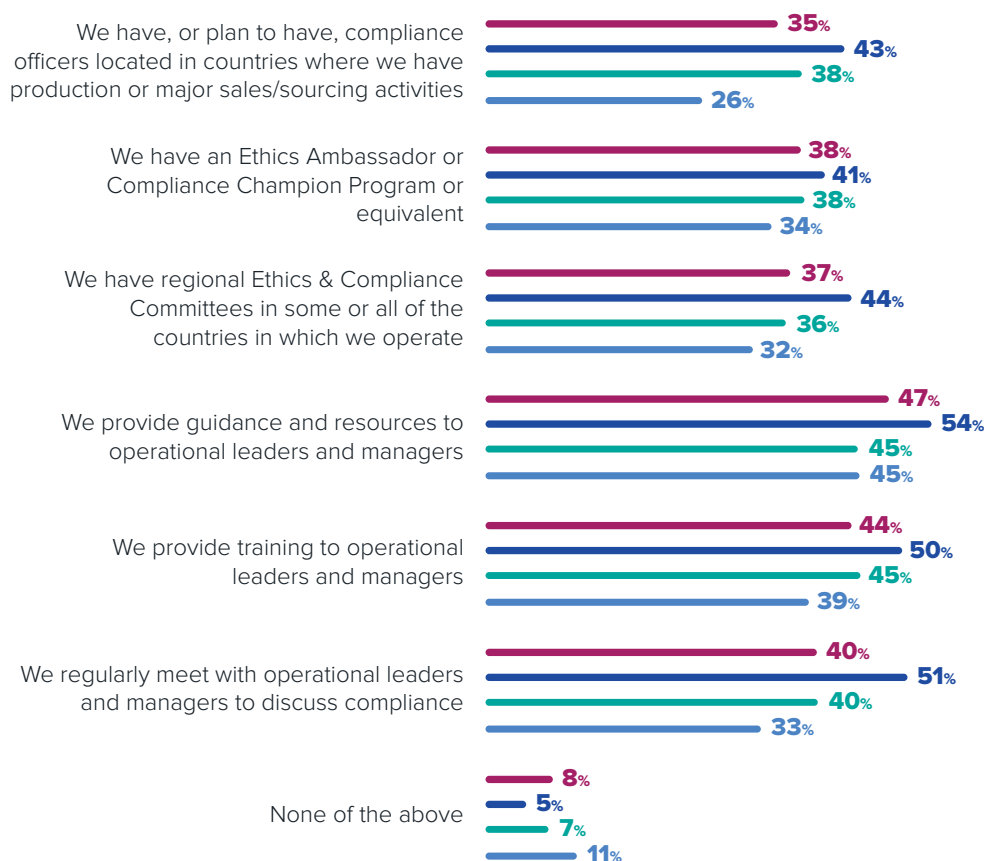
Program organization & standing

How many dedicated E&C professionals (FTE equivalent) work on your programs?

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs



How does your program scale its scope and operations? (Select all that apply)



Professionals Survey

Response to risk & challenges

Response to compliance risks (% agree)

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs

Our ethics and compliance program has been effective in helping employees avoid misconduct or unethical behavior in the past 12 months

Program Type	% Agree
Programs Overall	84%
High-Impact Programs	95%
Medium-Impact Programs	88%
Low-Impact Programs	70%

We invest sufficient time and effort in anticipating and identifying evolving or new compliance risks

Program Type	% Agree
Programs Overall	78%
High-Impact Programs	94%
Medium-Impact Programs	84%
Low-Impact Programs	60%

We have faced new or unexpected compliance risks over the past 12 months

Program Type	% Agree
Programs Overall	61%
High-Impact Programs	66%
Medium-Impact Programs	63%
Low-Impact Programs	55%

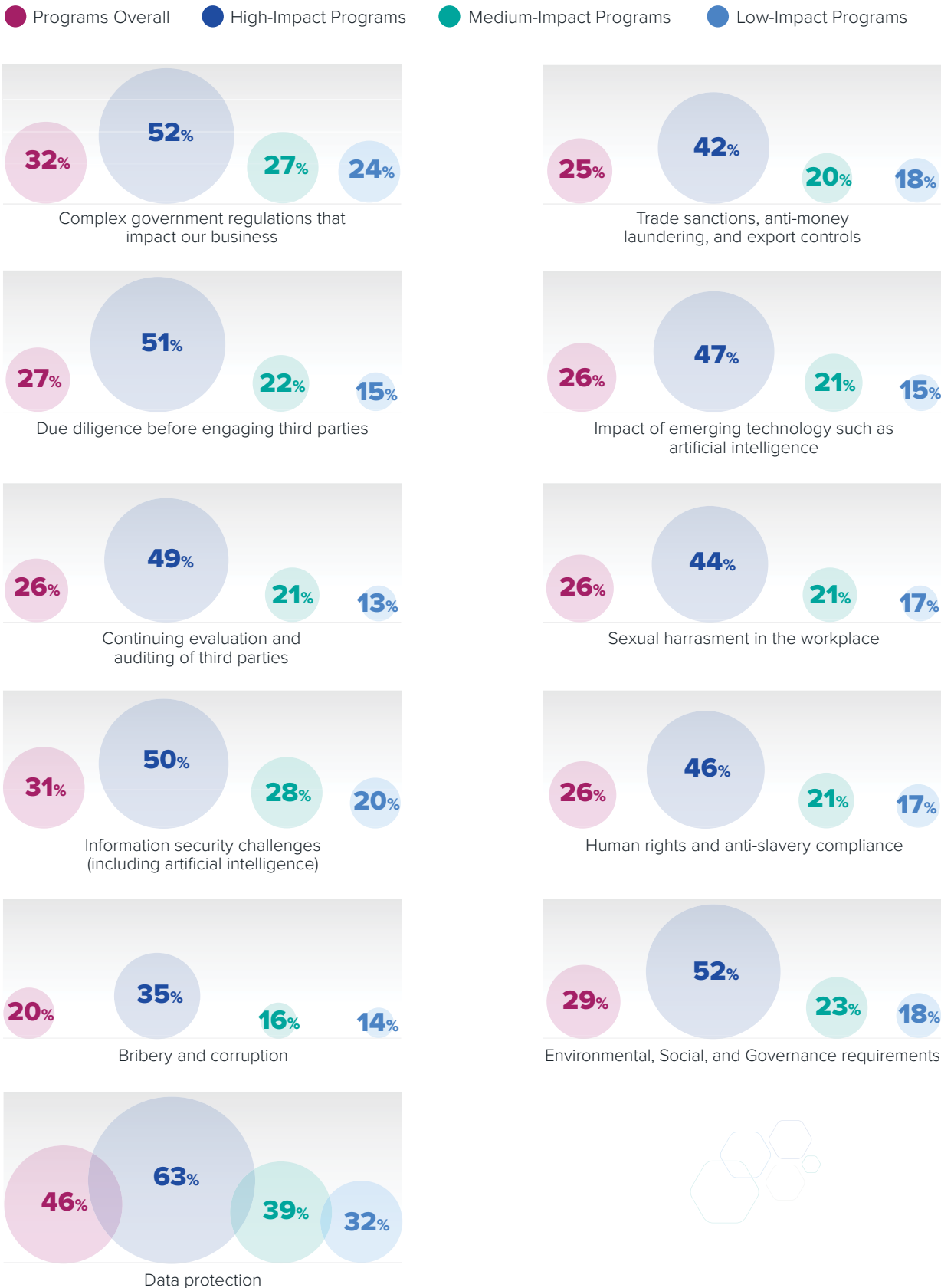
Our organization's risk mitigation efforts have been largely successful

Program Type	% Agree
Programs Overall	82%
High-Impact Programs	95%
Medium-Impact Programs	88%
Low-Impact Programs	66%



Response to risk & challenges

How much effort does your program expend on the following areas? (% “a great deal”)



Professionals Survey

Program evolution & focus

Indicate if your E&C team has made any of the following changes in the past 12 months
(Select all that apply)

● Programs Overall
 ● High-Impact Programs
 ● Medium-Impact Programs
 ● Low-Impact Programs



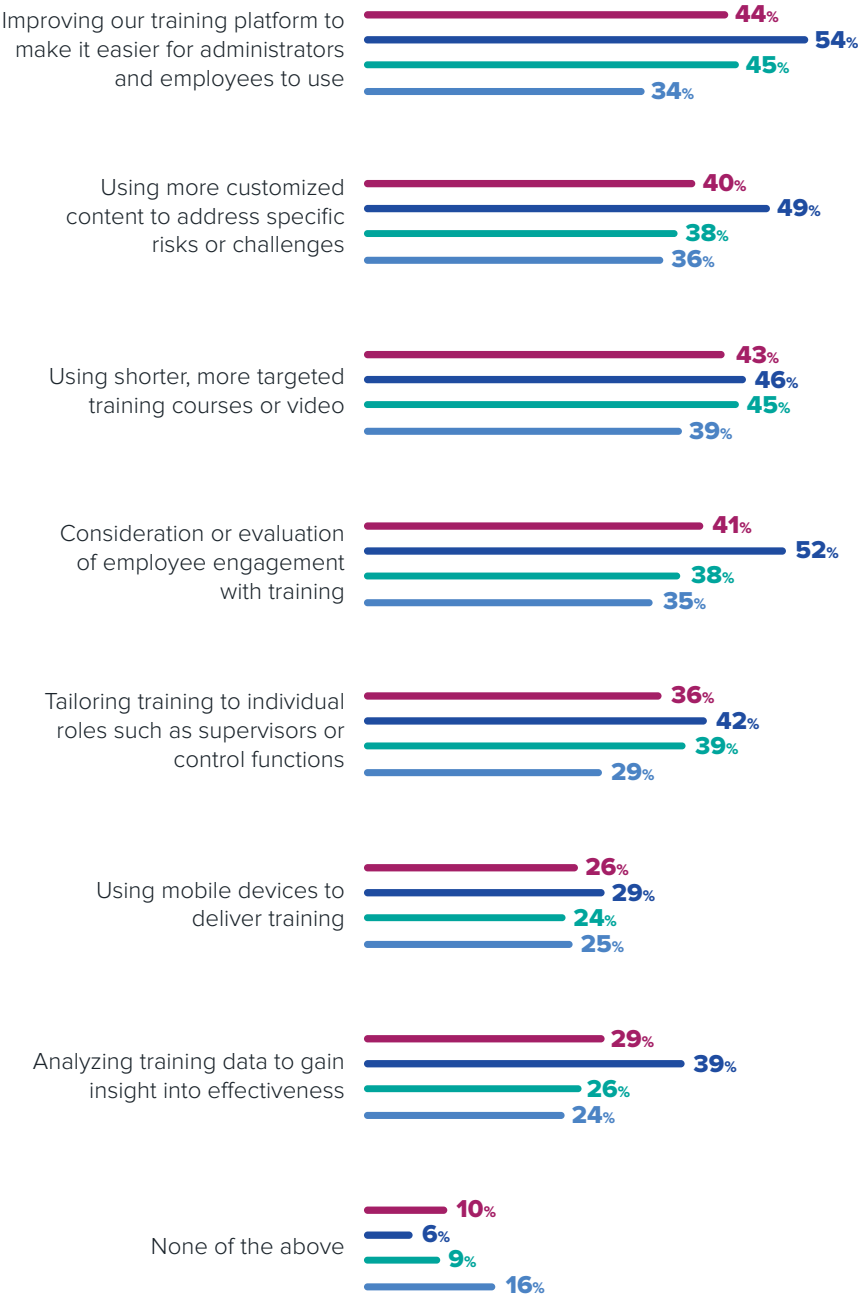
Professionals Survey



Program evolution & focus

What changes have you made to increase the impact and effectiveness of your training? (Select all that apply)

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs



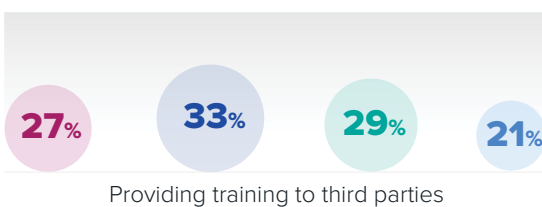
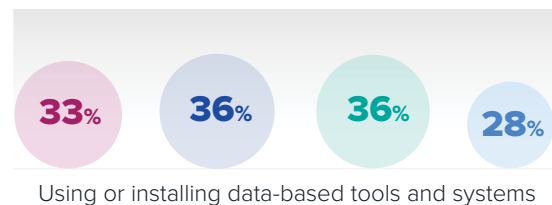
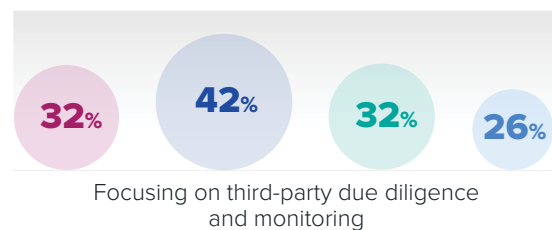
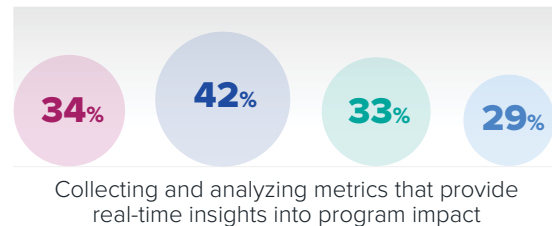
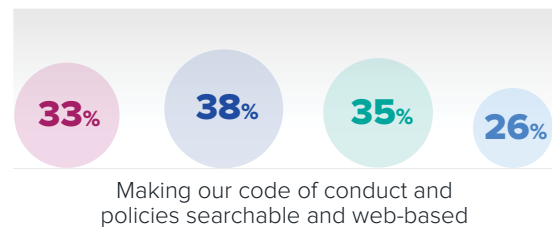
Professionals Survey



Program evolution & focus

How high of a priority will the following enhancements to be your E&C program in the near future? (% “high”)

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs



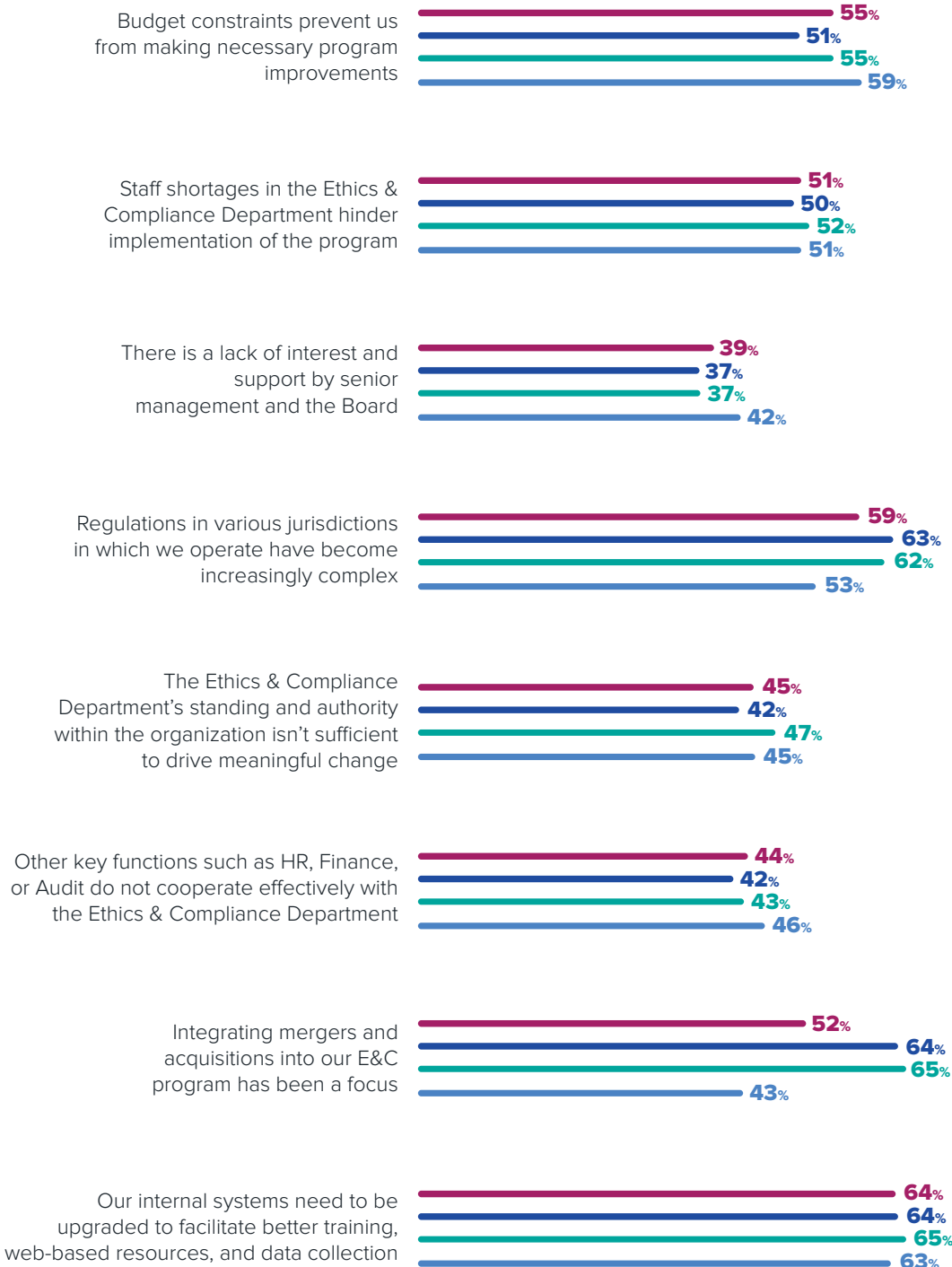
Professionals Survey



Program evolution & focus

Consider your experience over the past 12 months (% agree)

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs



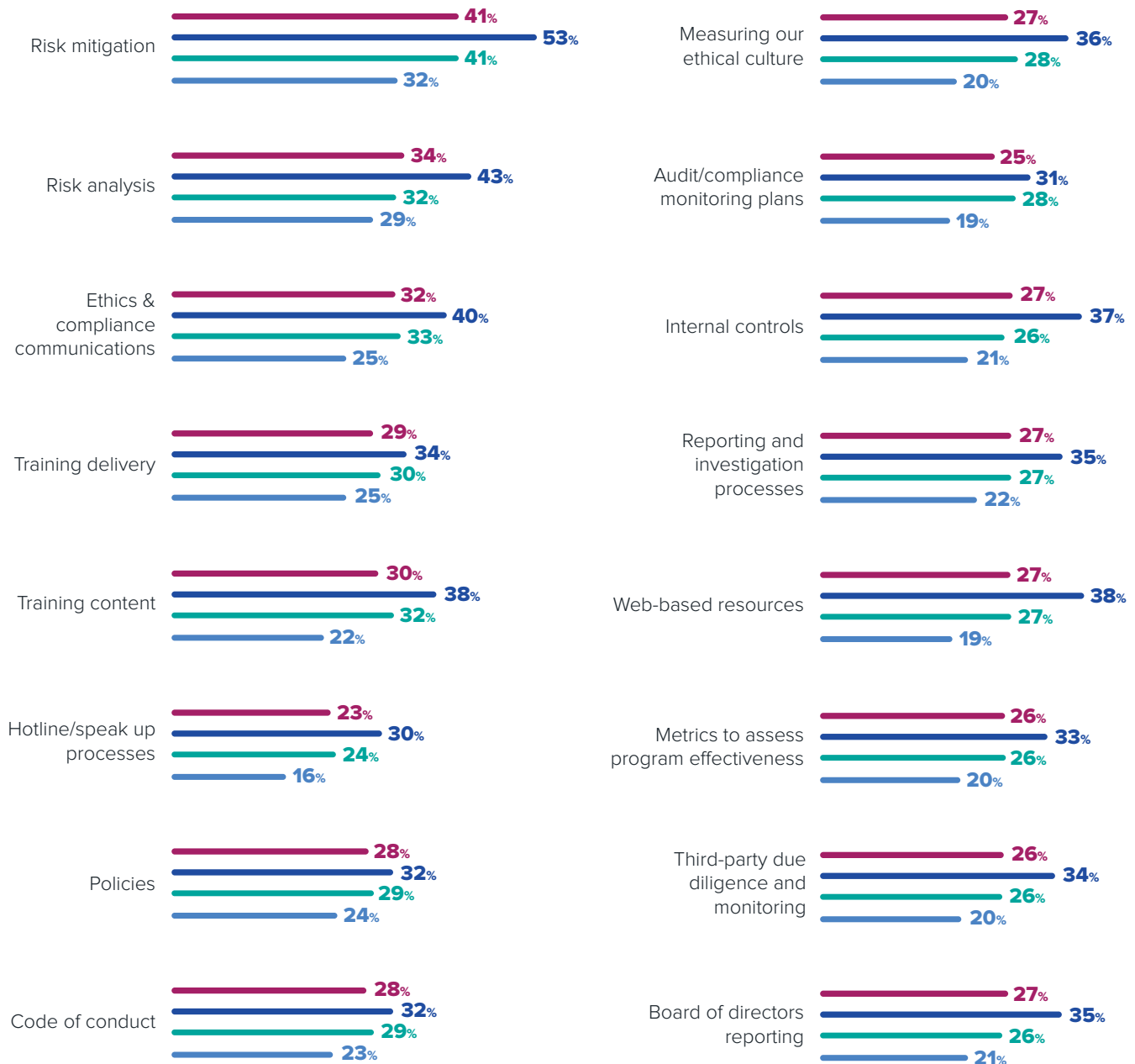
Professionals Survey



Program evolution & focus

Rate the status of the following program elements (% improved over the past 12 months)

● Programs Overall
 ● High-Impact Programs
 ● Medium-Impact Programs
 ● Low-Impact Programs



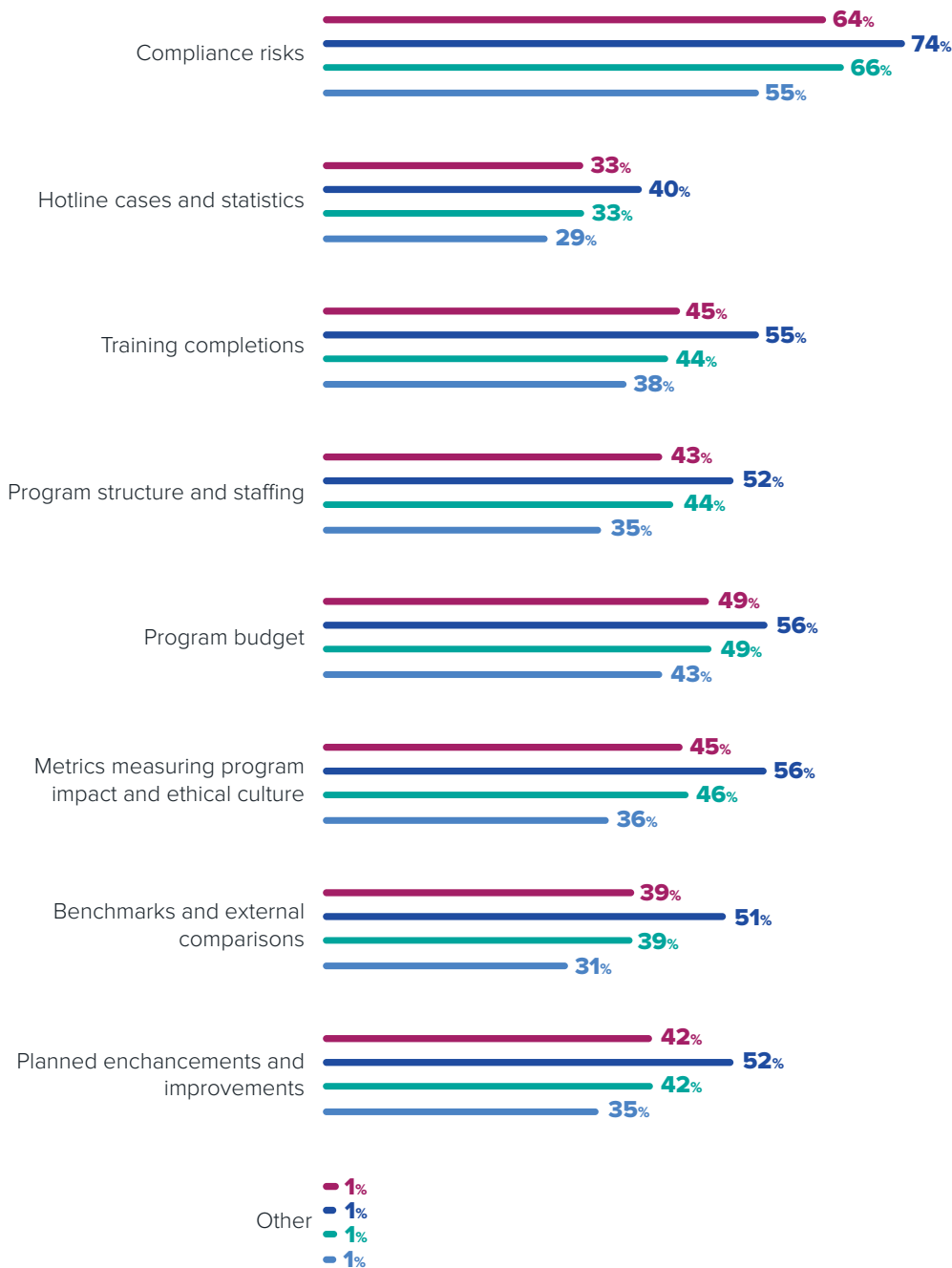
Professionals Survey



Board oversight

What materials and topics does the Board receive and review?
(Select all that apply)

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs

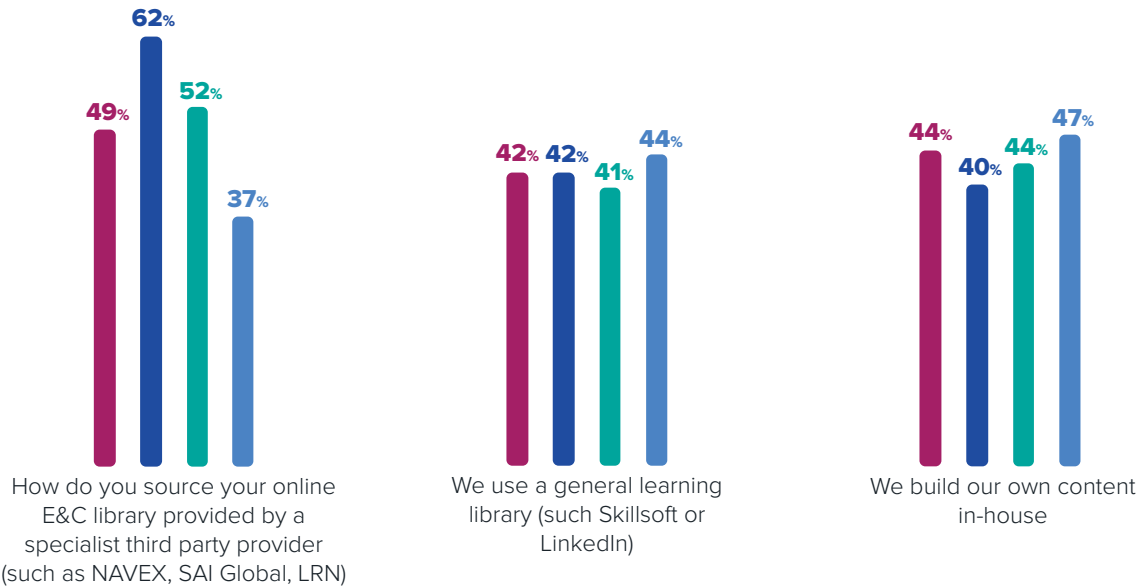


Professionals Survey

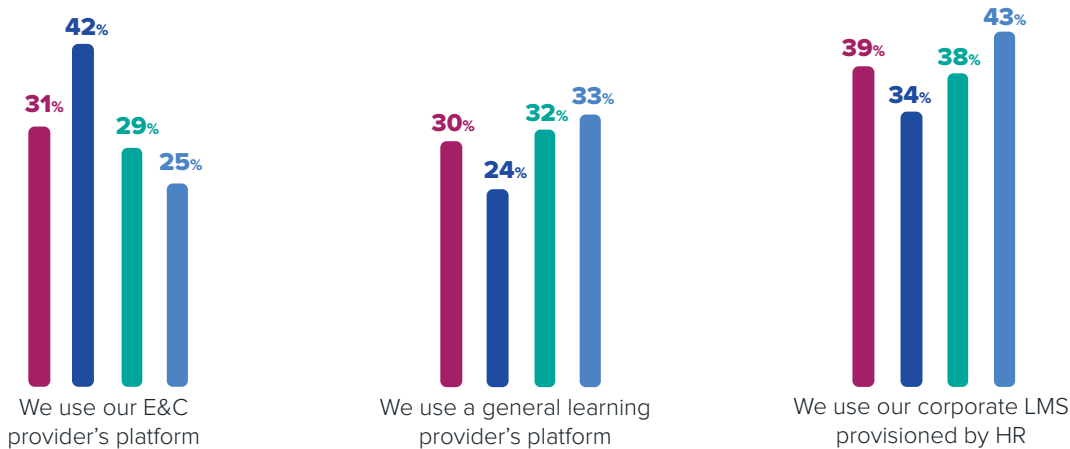
Effective E&C practices

How do you source online E&C training? (Select all that apply)

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs



How do you distribute your online ethics and compliance training?



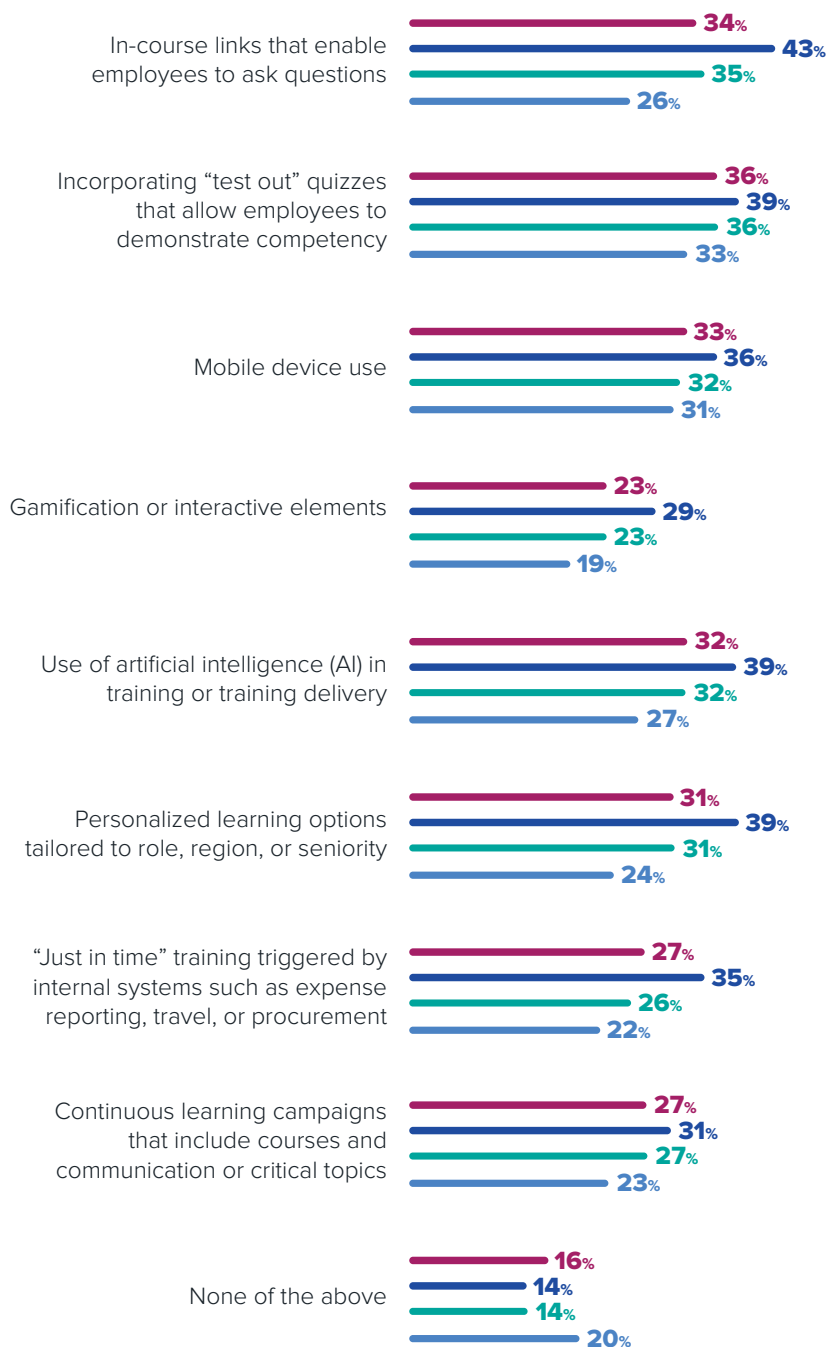
Professionals Survey



Effective E&C practices

What features are planned to be added to your organization's ethics and compliance training program in 2025?

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs

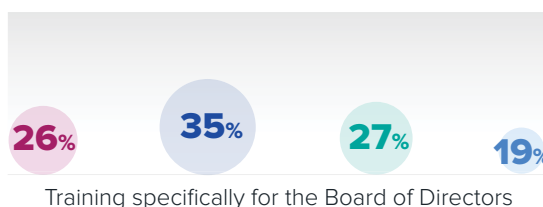
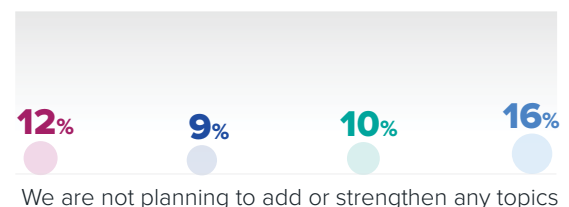
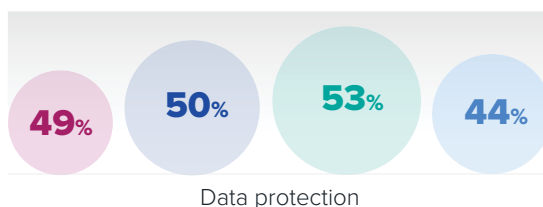
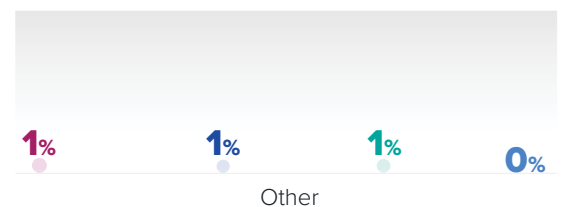
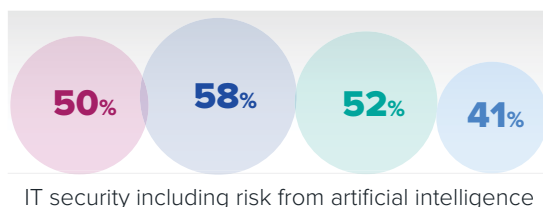
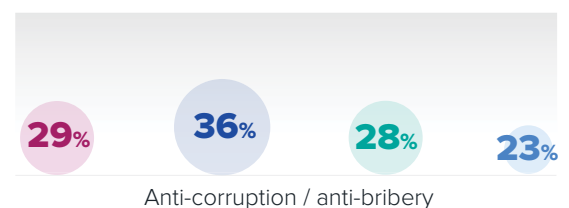
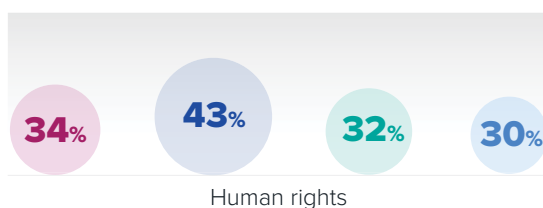
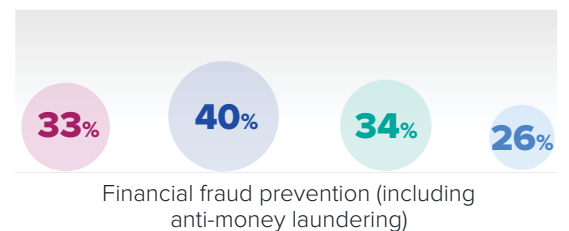
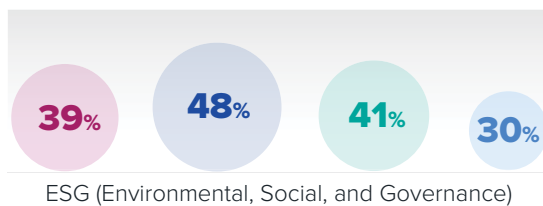
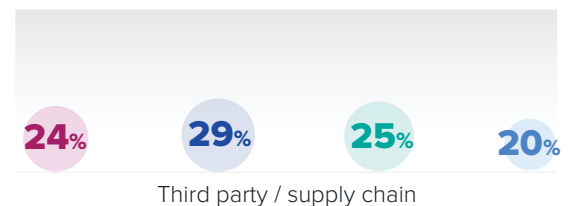
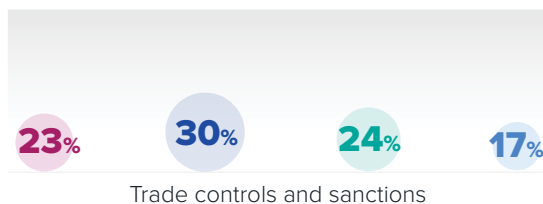


Effective E&C practices



What topics are you considering adding to or strengthening in your current training curriculum? (Select all that apply)

● Programs Overall
 ● High-Impact Programs
 ● Medium-Impact Programs
 ● Low-Impact Programs



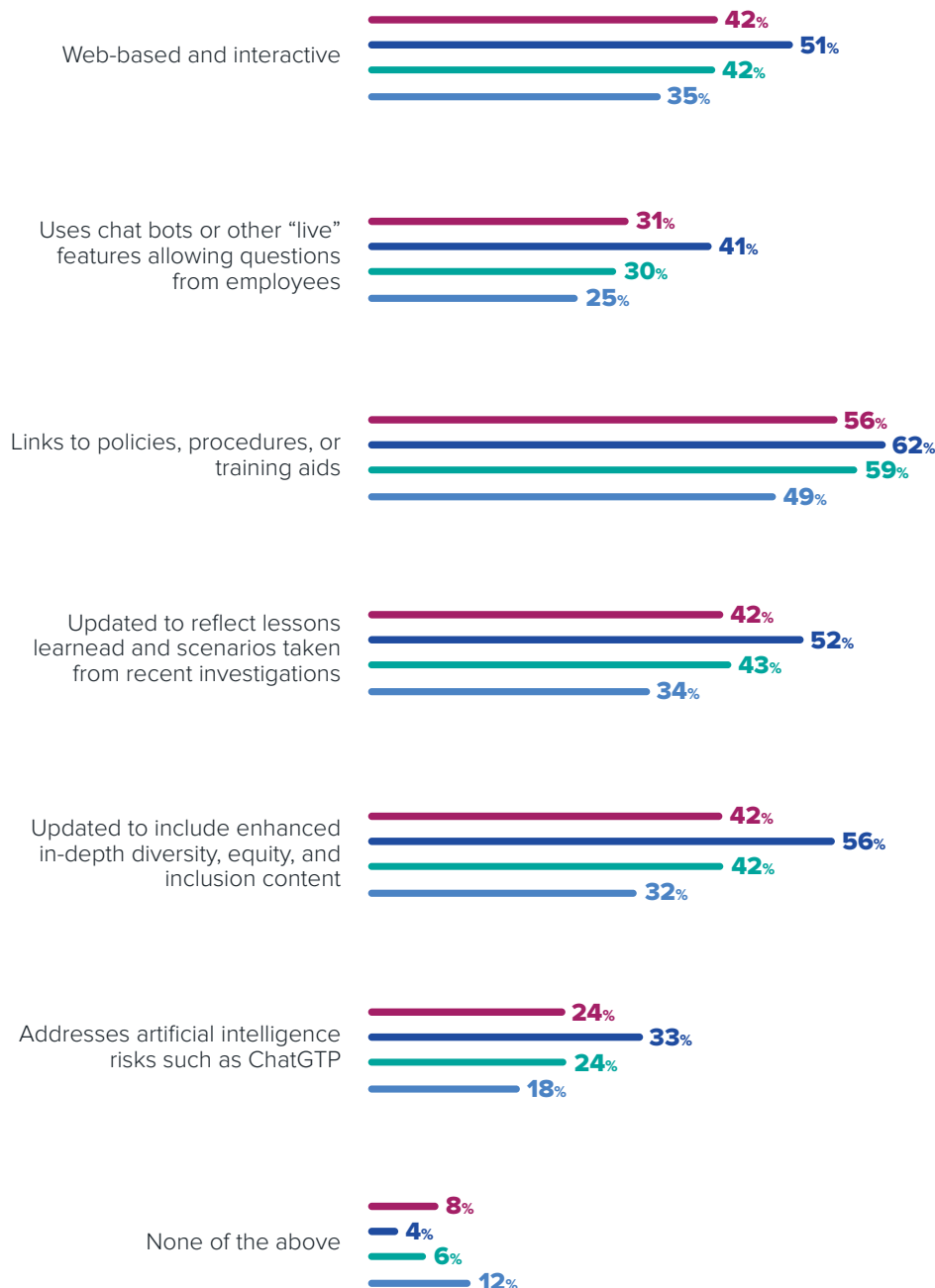
Professionals Survey



Effective E&C practices

Please select the following features that apply to your code of conduct
(Select all that apply)

● Programs Overall ● High-Impact Programs ● Medium-Impact Programs ● Low-Impact Programs

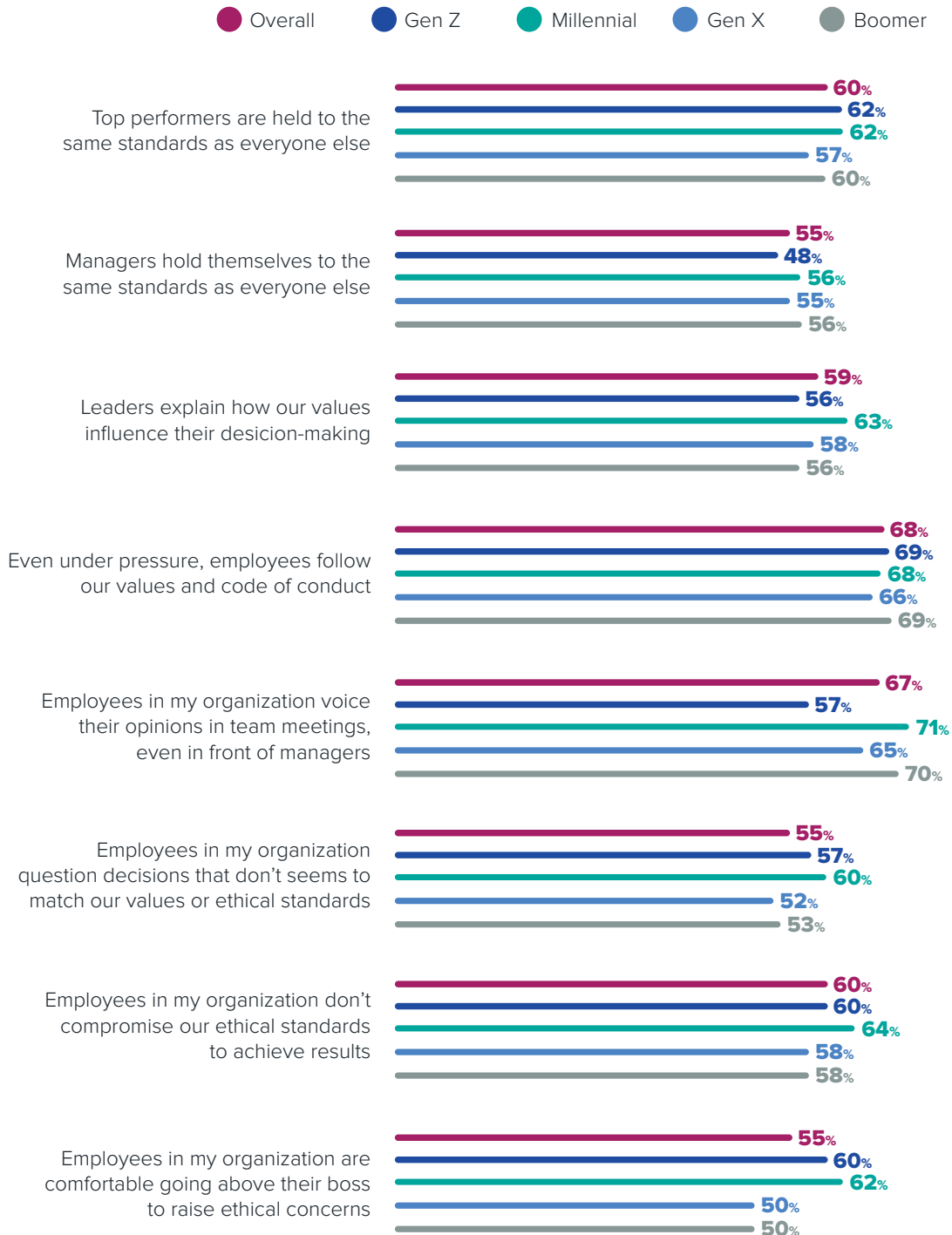


Global Employee Survey

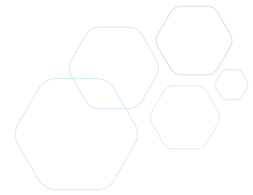


Effective E&C practices

To what extent do you agree with each of the following statements about your organization's ethical culture?

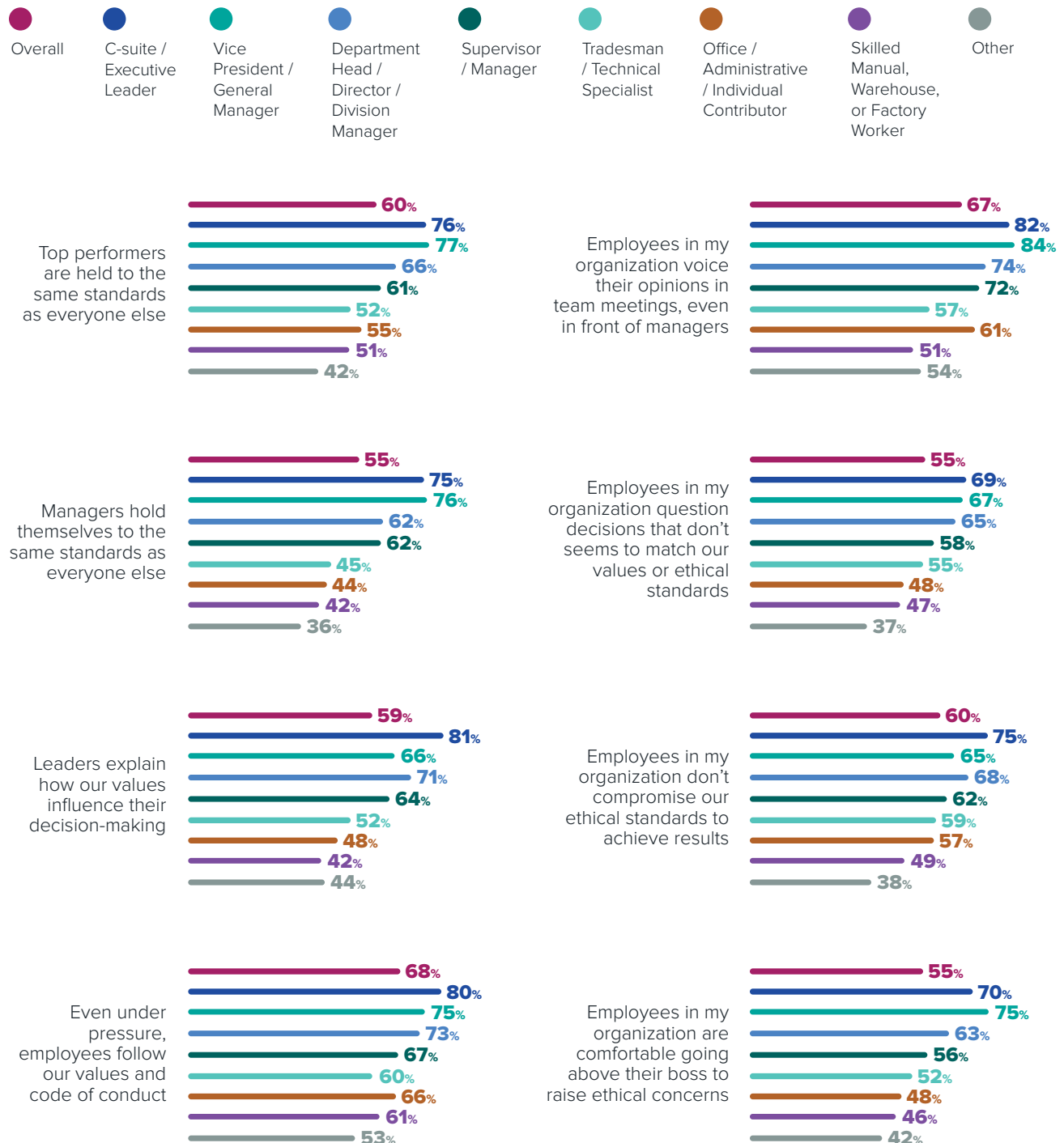


Global Employee Survey



Effective E&C practices

To what extent do you agree with each of the following statements about your organization's ethical culture?



Global Employee Survey

Effective E&C practices

To what extent do you agree with each of the following statements about your organization's response to the challenges of the past few years (e.g., COVID-19, the war in Ukraine, economic instability, etc.)?

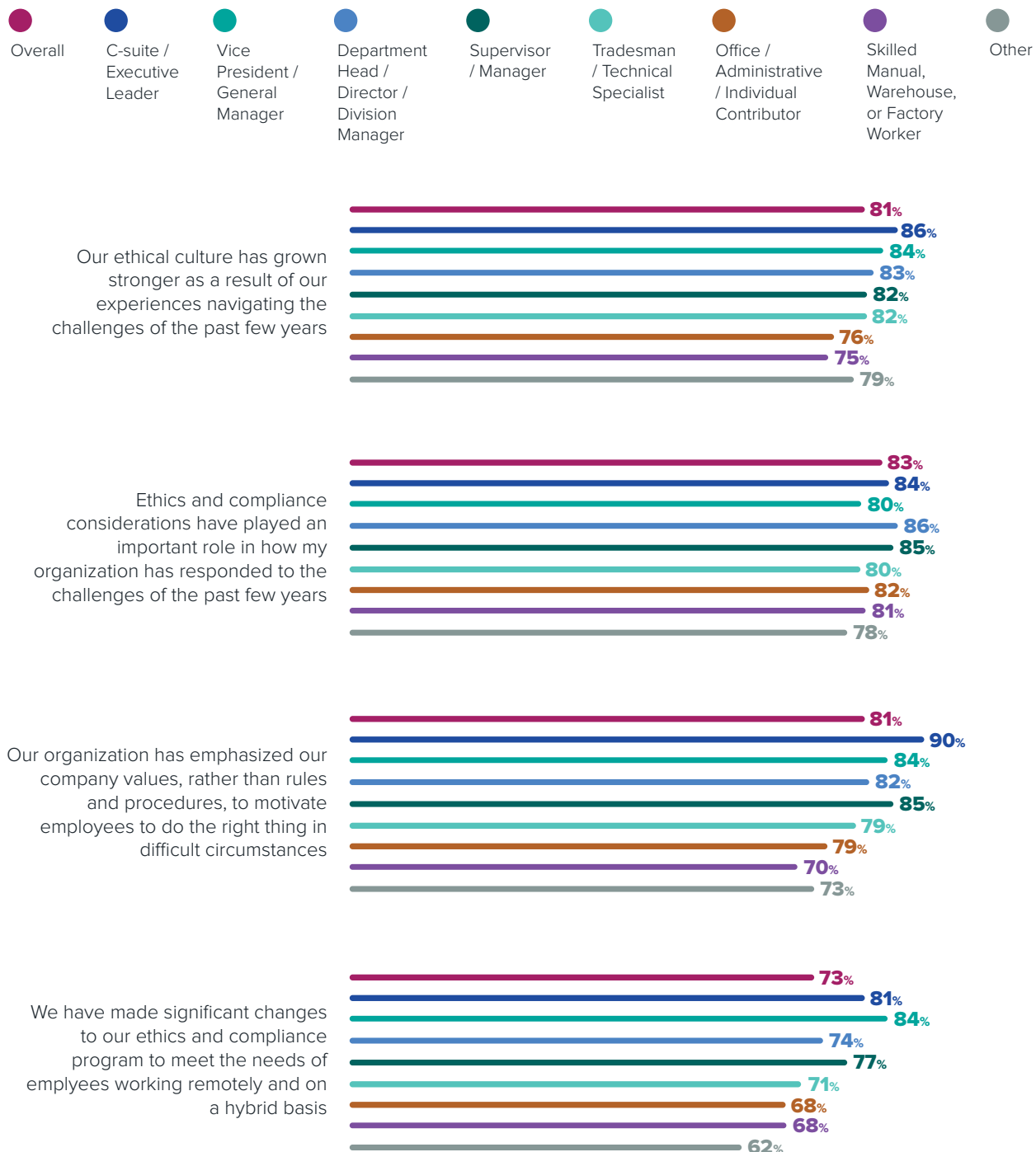


Global Employee Survey



Effective E&C practices

To what extent do you agree with each of the following statements about your organization's response to the challenges of the past few year (e.g., COVID-19, the war in Ukraine, economic instability, etc.)?



Global Employee Survey



Ethical culture

To what extent do you agree with each of the following statements about your organization's compliance program?

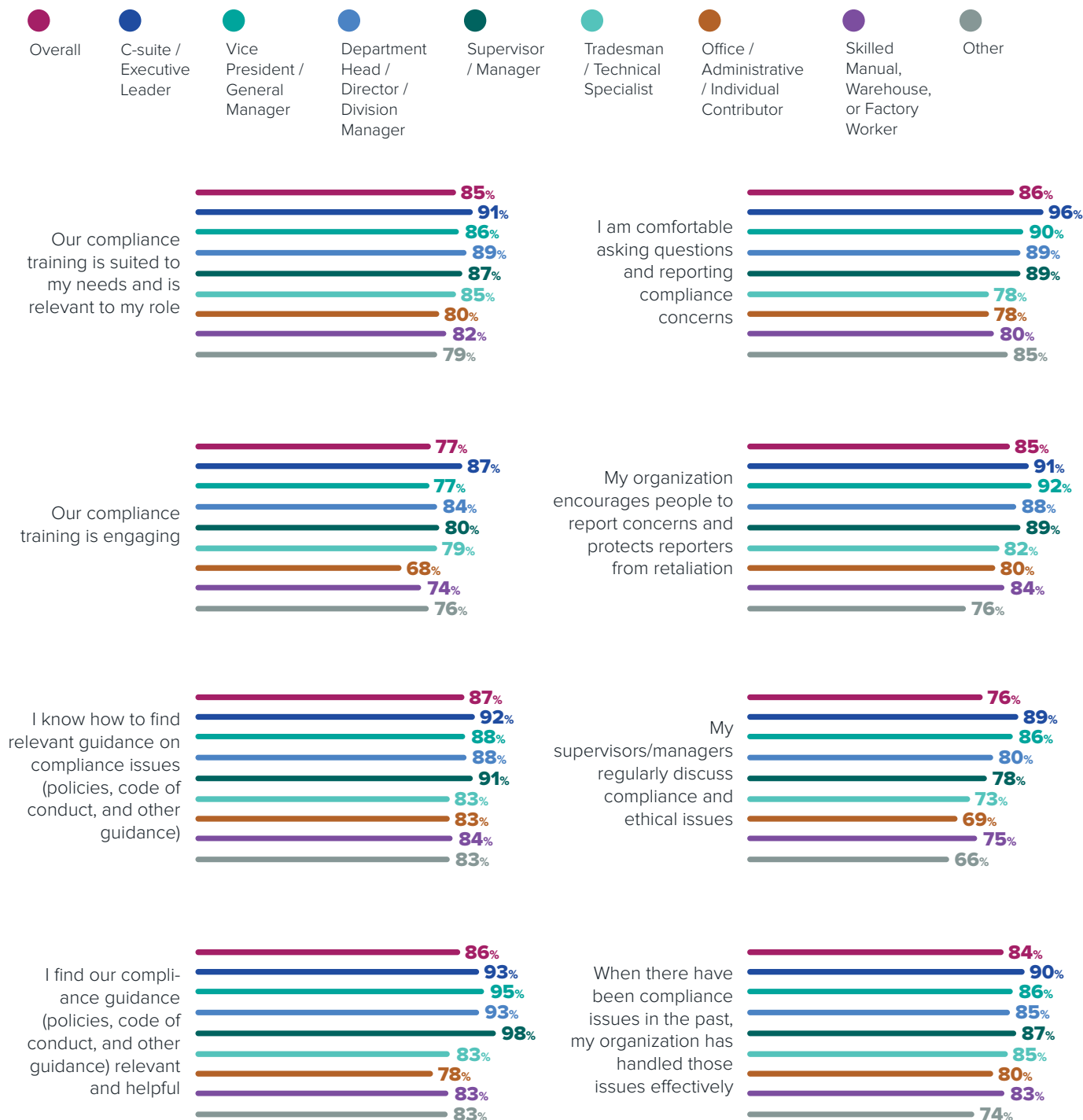


Global Employee Survey



Ethical culture

To what extent do you agree with each of the following statements about your organization's compliance program?





Methodology & demographics

This research was fielded in October 2024 through two surveys: one targeting ethics and compliance legal professionals and the other targeting full-time employees. Participants were drawn from global panels fielded by the research firm Dynata, as well as LRN's organic promotion efforts. The responding samples of ethics and compliance professionals and full-time employees represent eight countries and 26 industries.

Ethics, Compliance, and Legal Professionals Survey:

The ethics, compliance, and legal professionals survey results presented in this report are based on completed online interviews with a global sample of 1,542 ethics, compliance, and legal professionals. Nearly three quarters of respondents came from organizations with at least 1,000 employees and were largely based in the North America (42%), Europe (32%), and Asia-Pacific (24%) regions.

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. Demographics were self-selected by participants.

Employee Survey:

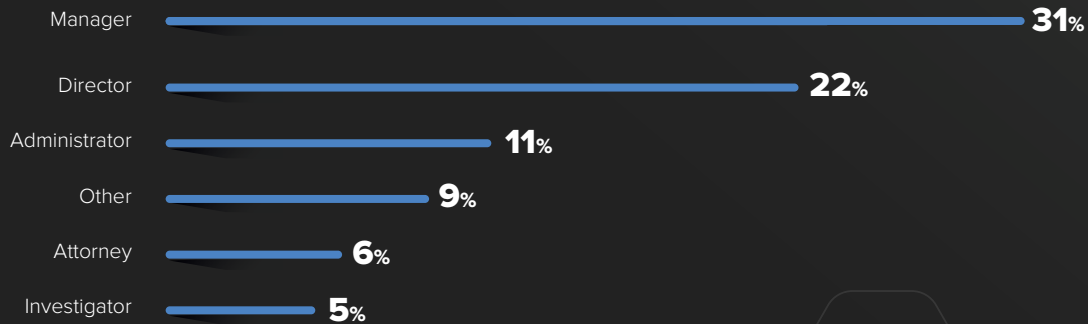
The employee survey results presented in this report are based on completed online interviews with a global sample of 1,531 full-time employees. Over 50% of respondents came from organizations with at least 1,000 employees and were largely based in the North America (38%), Europe (33%), and Asia-Pacific (29%) regions.

All survey respondents were pre-screened to ensure their status as full-time employees. Demographics were self-selected by participants.

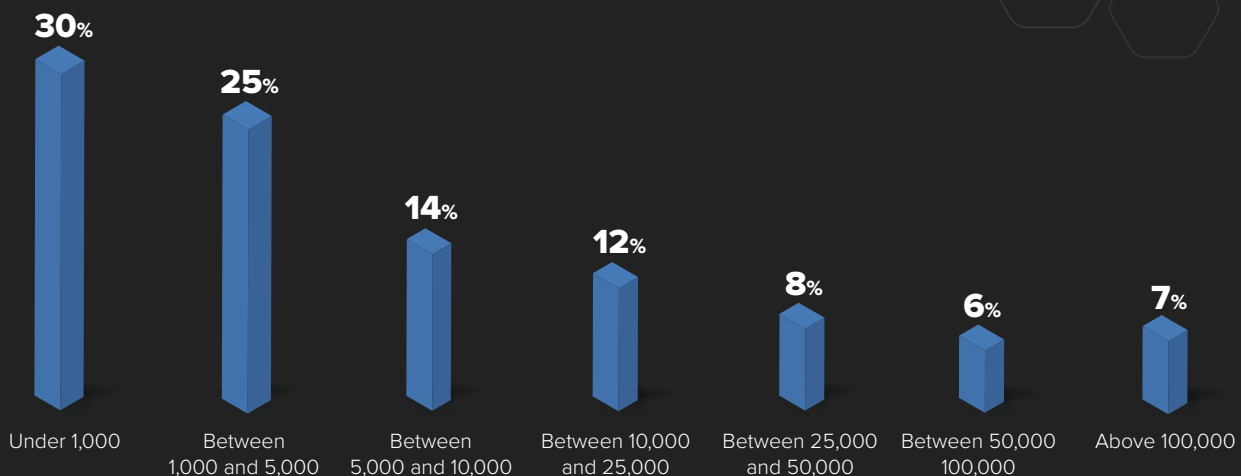


Ethics, Compliance, and Legal Professionals Survey:

Participant role



Company size (# of employees)



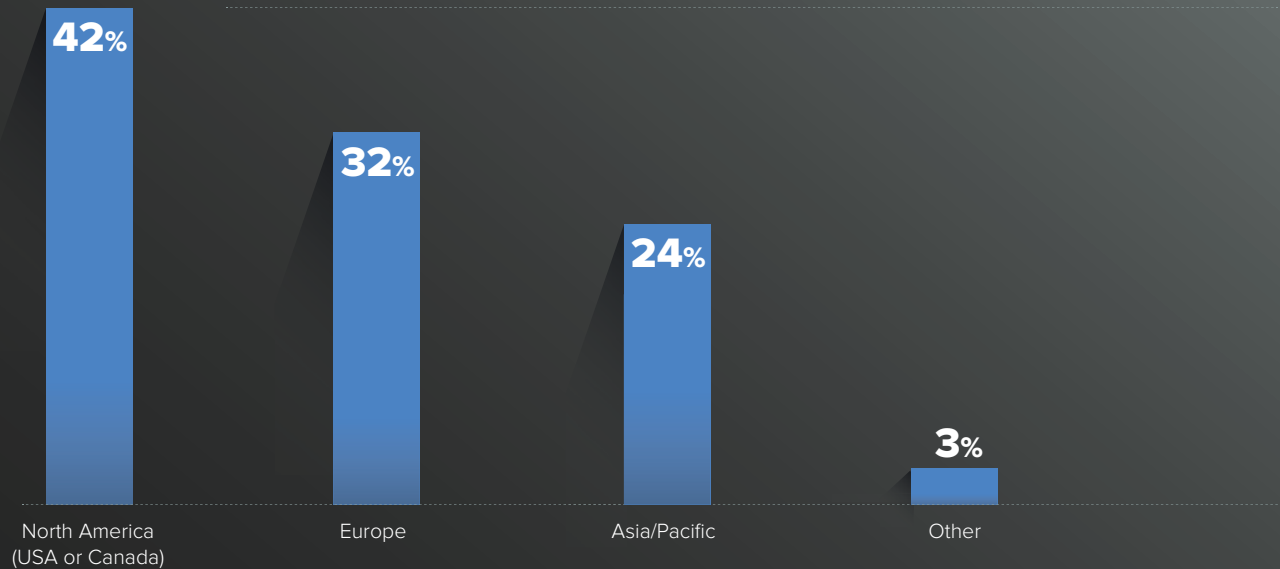
Participant location



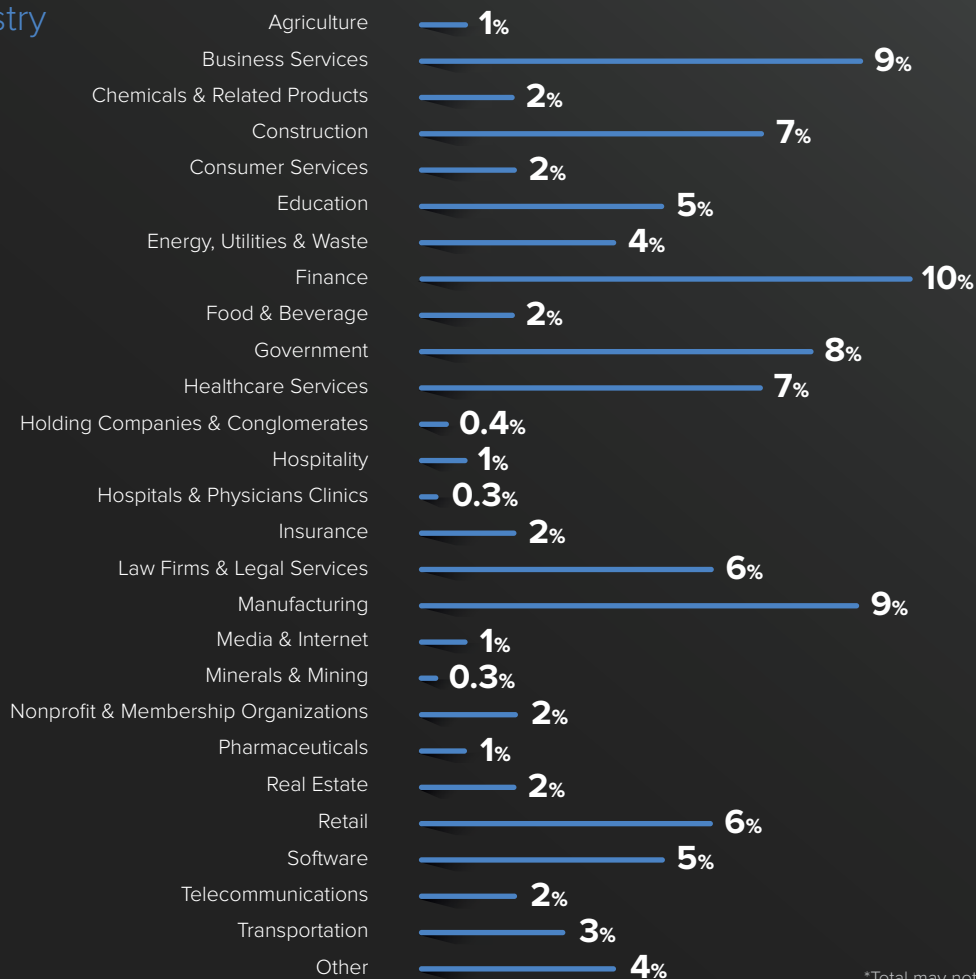
*Total may not equal 100% due to rounding

Ethics, Compliance, and Legal Professionals Survey:

Organization headquarters



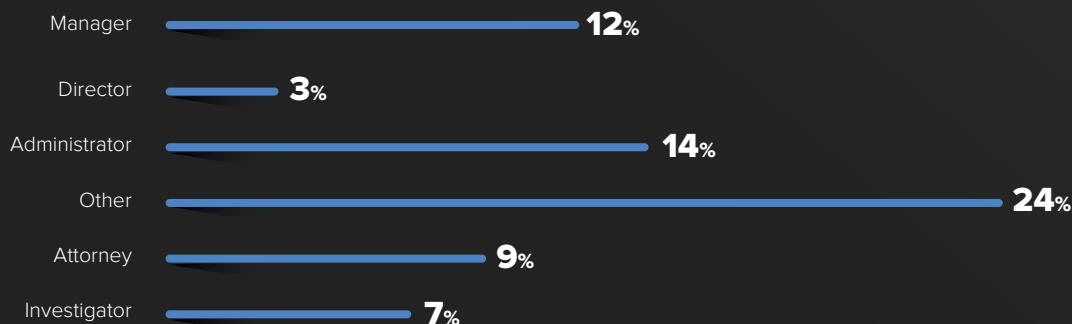
Industry



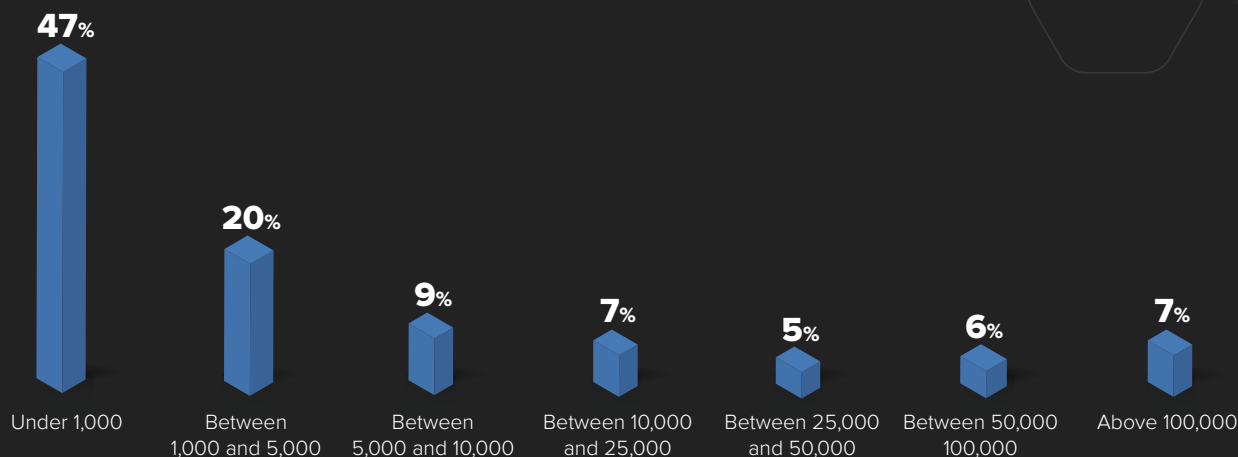
*Total may not equal 100% due to rounding

Employee Survey:

Participant role



Company size (# of employees)



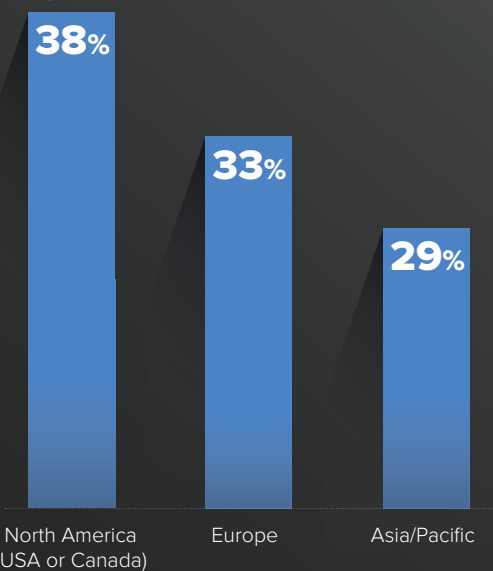
Participant location



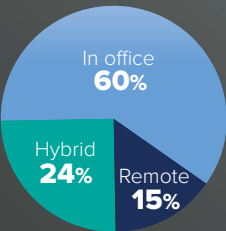
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Employee Survey:

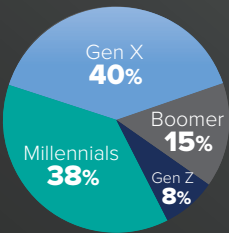
Organization headquarters



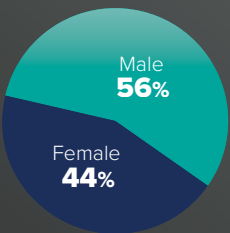
Work arrangement



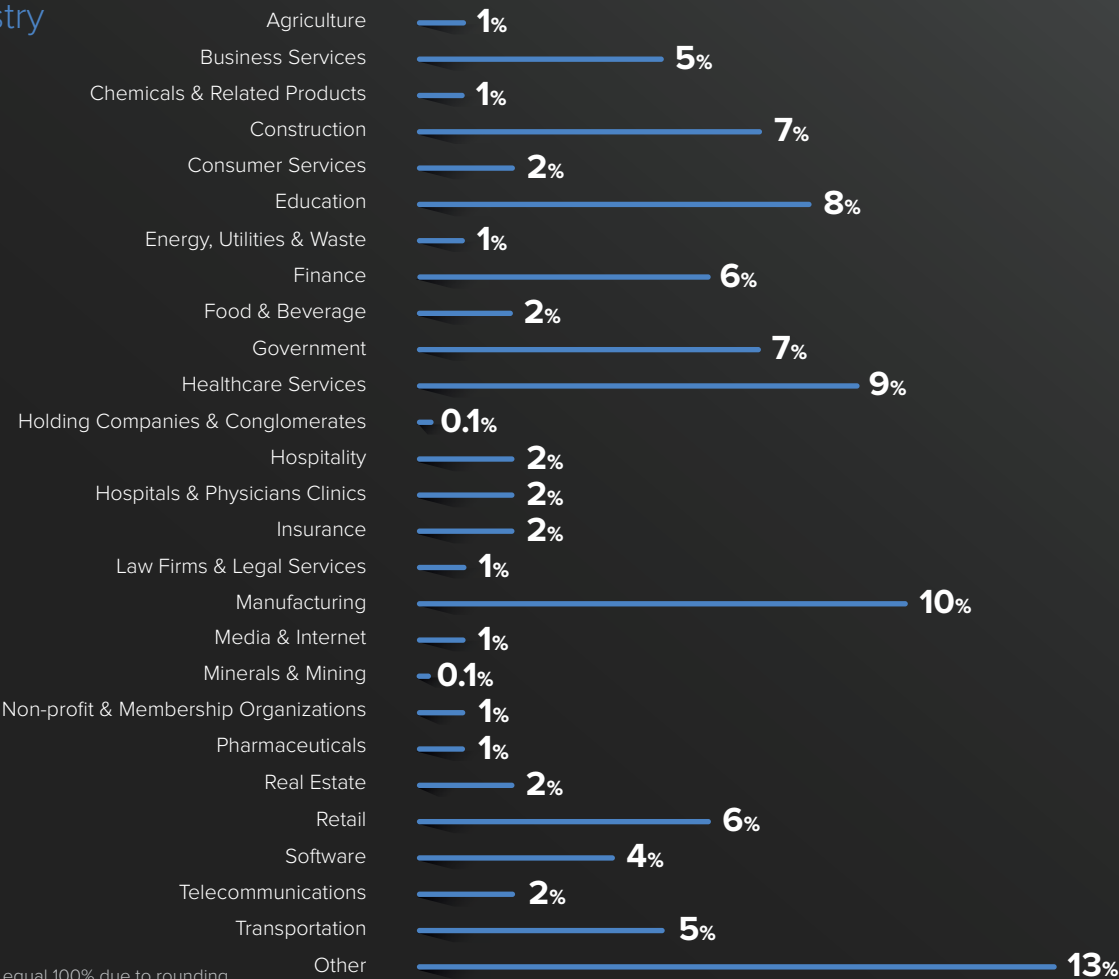
Generation



Gender



Industry



*Total may not equal 100% due to rounding

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