

2018 Compliance survey

Perception of business ethics
in Slovakia

Slovak Compliance Days
12th - 13th November 2018

Vnímanie podnikateľskej etiky na Slovensku 2018 SCC prieskum – výsledky v skratke

Vo všeobecnosti, podniky vnímajú situáciu mierne negatívne

Priemerné skóre **2,7** na škále 1 – 5 (od neg. k poz.)

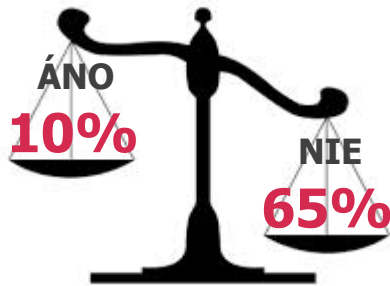
Najmä kvôli:

Historické a kultúrne dedičstvo, tolerancia k nekalosti **47%**

Nedostatky vo vymožitelnosti práva **30%**

Nedostatky legislatívneho prostredia **15%**

Iné (kombinácia, pripravenosť a kvalita ľudí, chýbajúca vôľa) **8%**



Presadzovanie etiky v podnikaní v našom odvetví má devastačný účinok na úspech firmy

60% výkonných a top manažérov:
"Etický prístup je konkurenčná výhoda budúcnosti"

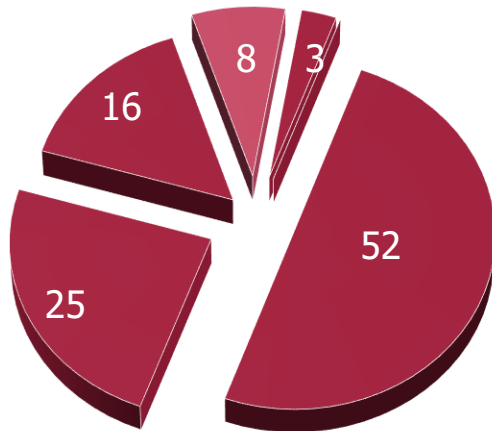
Perception of business ethics in Slovakia SCC survey scope

- How is the business ethics topic covered in your company?
- How do you see the situation in Slovak economy from perspective of business ethics?
- How do you see the situation in your industry from perspective of business ethics?
- How do you see your company's climate from perspective of business ethics?
- How do you see attitudes your company's employees?
- What impact does ethical business conduct impact have to your company?
- How do your colleagues react in dilemma situations?
- How can we improve corporate environment from perspective of ethical business conduct?

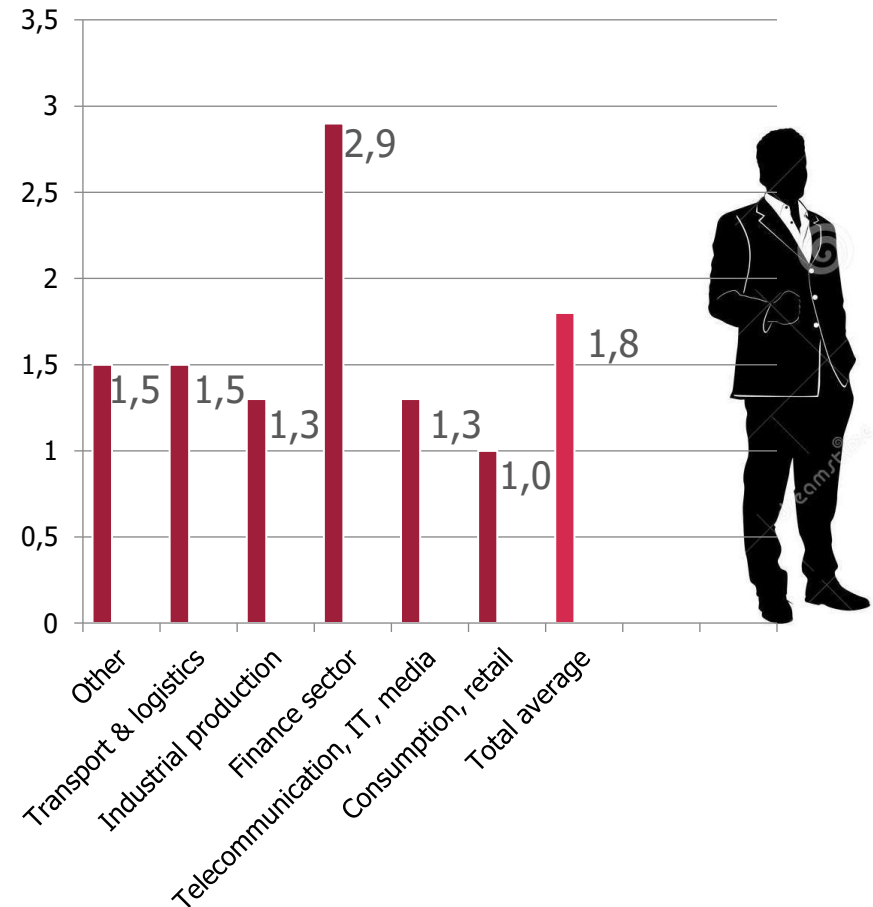
Survey results

How is the business ethics topic covered in your company?

Organization



- Compliance department 52
- Formally - Legal, Internal audit 25
- Informally - Legal, Internal audit, HR, RM 16
- Not covered at all 8
- Other (e.g. CO with Legal, outsourcing) 3



Survey results

Situation in Slovak economy from perspective of business ethics

in average, assessment of the situation rather negative than positive

Average score **2,7** on the scale 1 – 5

due to:

Historical and cultural influence, tolerance to misconduct 47%

Lack of law enforcement possibilities 30%

Legislative deficiencies 15%

Other (combination of above, resources, lack of willingness) 8%

Owners **2,5**

Top / executive management **3,0**



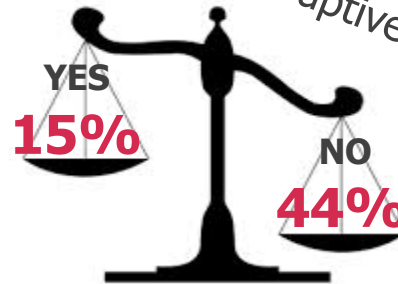
Survey results

Situation in your industry from perspective of business ethics

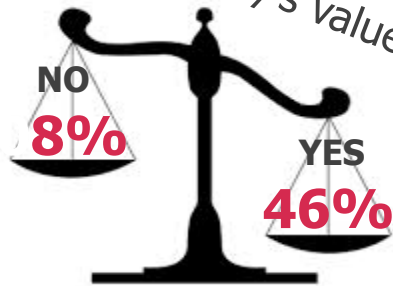
Average score **3,2** on the scale 1 – 5

Finance sector **3,3**

Most companies in our sector are corruptive



Individual misconduct can happen in any company in our industry, but contrary to company's values

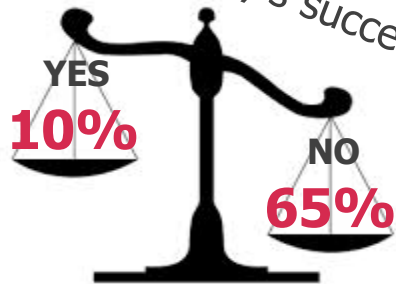


Business2government **3,0**
Extreme volatility btwn. industries

Survey results

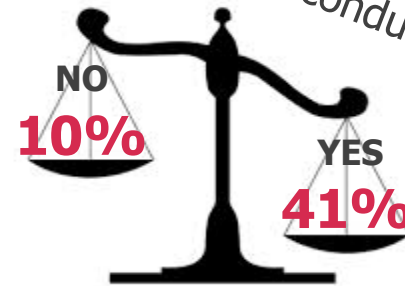
Situation in your industry from perspective of business ethics

Pursuing ethical business conduct in our industry has devastating impact to the company's success



Worst – consumption industry
YES – Compliance officers
Best – transport/logistics/services

Most companies in our sector thoroughly pursue ethical business conduct



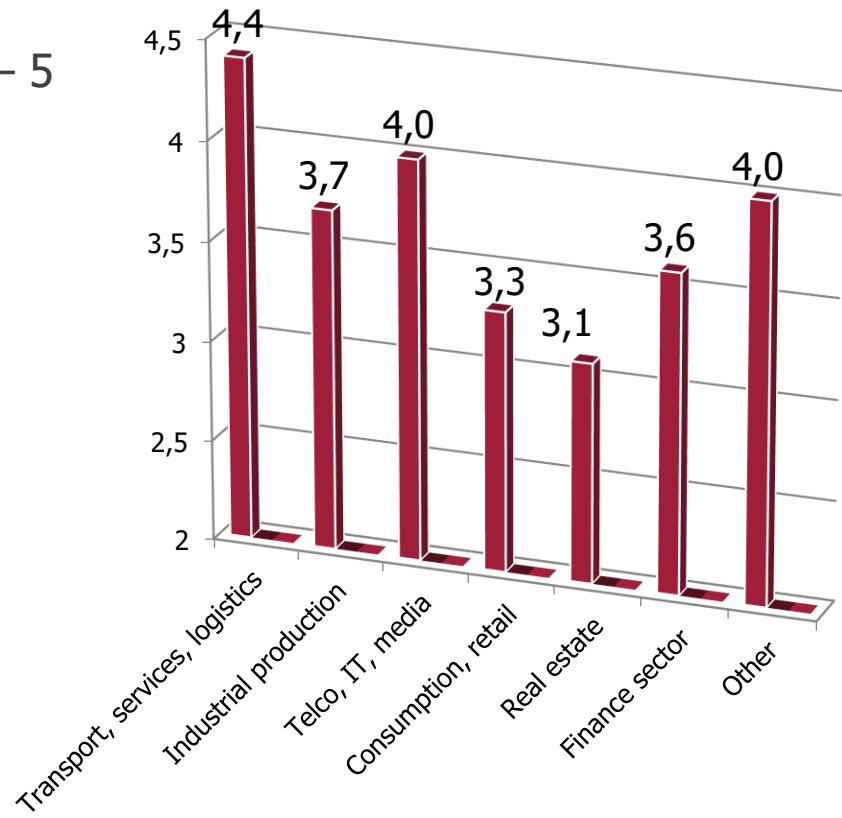
Worst – Real estate / Construction
NO – 67% executives & statutory reps
Best – transport/logistics/services
- industrial production
- consumption, retail

Survey results

Responding companies' climate from perspective of business ethics

in average, companies assessed application of ethical conduct principles positively

Average score **3,7** on the scale 1 – 5



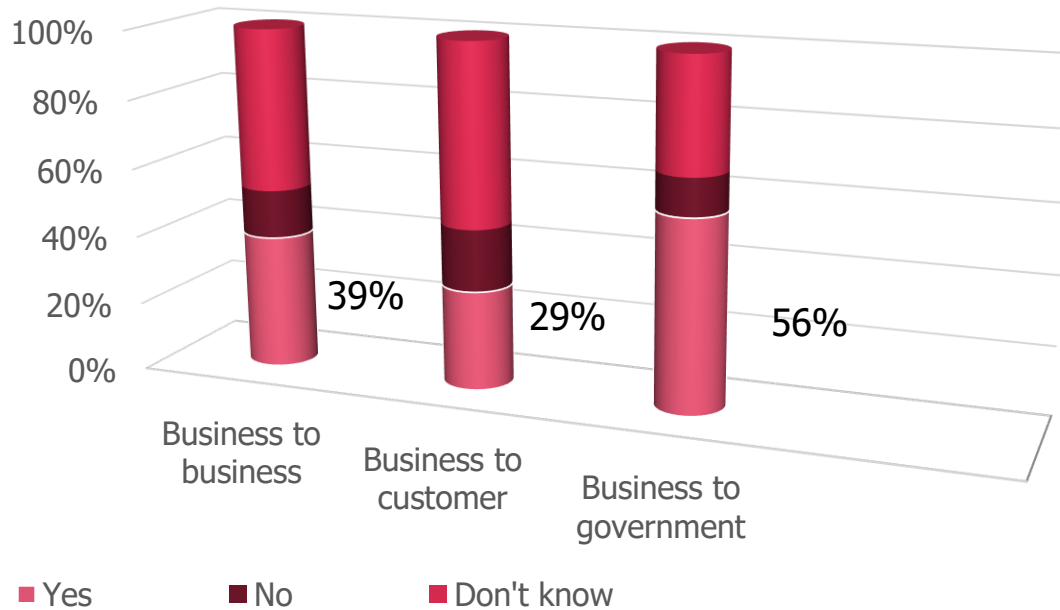
Best evaluations – Owners
and statutory reps **4,1**

Worst evaluations –
Compliance officers **3,2**

Survey results

Impact of ethical business conduct to the company's success

Lost business opportunity due to competitor's corruptive behavior over last 4 years?



45% of top managers
50% of owners
30% of Compliance officers
YES!

Survey results

What are main factors of following ethical principles in our companies?

1

- Tone from the top - values demonstrated by management

2

- Active building of awareness of accepted values and ethical norms

3

- Declaration of values and promotion of ethical principles

4

- Overall corporate culture and values lived

5

- Influence of Group values / culture (international companies)

6

- Implementation of preventive control mechanisms against misconduct

7

- Implementation of formal ethical rules (Code of ethics, directives)

8

- Current mindset within overall Slovak business environment

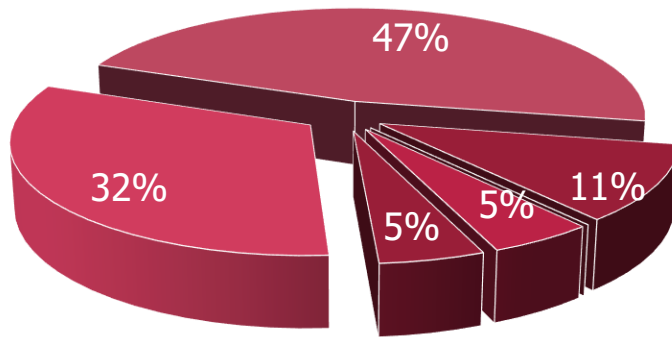
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- Current mindset within the Slovak public sector

Survey results

Correlation between ethical business conduct and company's success

What impact will ethical conduct have to your company in long-term?



- Short-term competitive disadvantage 5%
- Long-term competitive disadvantage 5%
- Differentiator we are building on today 32%
- Differentiator we will build on in the future 47%
- Without significant impact 11%

60% CEOs & executives:
 "Differentiator for the future"

40% owners:
 "Differentiator already today"
 "Differentiator for the future"

18% CEOs & executives:
 "Competitive disadvantage that we feel"

Thank you

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