

The Impact of a Changing Work Environment on Corporate Culture



March 2025



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Executive Summary

- ▶ After a fraud or scandal occurs, stakeholders ranging from employees, boards, investors, to regulators will question how it could have happened. The causes and contributing factors can often trace back to problems with the organization's culture. A strong ethical culture is a defense against all the conditions identified in the fraud triangle—pressure, opportunity, and rationalization. A robust and positive culture centered on integrity and ethics is key to deterring and detecting fraud.
- ▶ Companies that were able to quickly shift to a remote environment at the peak of the pandemic are now seeking ways to bring workers back to the office full time or are puzzling out the best approaches for setting and maintaining guidelines for remote, hybrid, and in-person work. Amid such significant changes in the work environment, companies and their employees face the risk of losing touch with the culture that once defined the organization.
- ▶ Culture may be a moving target, however, as companies navigate changing work environments and different employee expectations, many organizations are radically retooling the ways they do business, leaving many employees, including managers, stressed and disconnected. In addition to looking for flexibility with respect to where they work, employees are seeking greater empathy, more autonomy, and control over other areas of their work life.
- ▶ Managing changing employee expectations and work arrangements continue to be a critical component of managing corporate culture for many organizations. Long periods of time working from home and the entry of a new generation into the workforce have changed employee attitudes. Attempts to impose return-to-office mandates have been met with mixed success including pushback from some employees and tension in the workplace as a whole. In addition to the potential increase in turnover and decrease in job satisfaction, there may be other unintended consequences arising from the growing trend of return-to-office mandates that have yet to be recognized.
- ▶ Remaining flexible is clearly an important success factor in tackling employee expectations and demographic differences. Many organizations will have to address the attitudes of both workers who do not have the option of remote or hybrid work because of the nature of their jobs, and younger employees who began their career working remotely. Recognizing these complexities and being aware of the range of employee attitudes will be key to rebuilding a strong and ethical corporate culture.
- ▶ Several human resources processes (e.g., recruiting and hiring, onboarding and training, performance management, offboarding) provide opportunities for organizations to introduce their culture in a remote, hybrid, and/or in-person work environment to new employees, and to remind existing ones of its significance and relevance. Companies should also pay attention to the unique impact that new working models may have on their governance, risk, and control processes to keep a pulse on organization-wide culture shifts.
- ▶ In a strong ethical culture, pressure to commit fraud can be offset by sound risk management practices and appropriate incentives. However, in a time of constant disruption and changing work environments, management will have to step back regularly in order to identify new and emerging risks and how to most effectively monitor and address those risks. Organizations should consider a variety of tools or techniques that can enhance culture and deter fraud and misconduct in a changing work environment, including but not limited to:
 - Controls, processes, and policies
 - The fraud triangle
 - Employee surveys and culture metrics
 - Use of technology
 - Teamwork
 - Tone at the top
 - Whistleblower and ethics hotlines
 - Transformation and change management
- ▶ There is not a one-size-fits-all approach, nor a silver bullet solution, for establishing and maintaining a strong ethical culture, whether in a remote, hybrid, or a more traditional in-person work environment. However, through using the various tools and techniques mentioned herein, companies can create the foundation necessary to foster, reinforce, and enhance a strong ethical culture in a changing work environment.

Introduction

After a fraud or scandal occurs, stakeholders ranging from employees, boards, investors, to regulators will question how it could have happened. The causes and contributing factors can often trace back to problems with the organization's culture. "Studies show that organizations that encourage ethical behavior are more resistant to misconduct of all kinds, including financial reporting fraud," according to the [Anti-Fraud Collaboration](#) (AFC). A strong ethical culture is a defense against all the conditions identified in the fraud triangle—pressure, opportunity, and rationalization. A robust and positive culture centered on integrity and ethics is key to deterring and detecting fraud.

Considering the profound and continuing impact of how and where employees work over the last several years, many companies still may not have resolved the challenges presented by those changes in the current work environment. Companies that were able to quickly shift to a remote environment at the peak of the pandemic are now seeking ways to bring workers back to the office full time or are puzzling out the best approaches for setting and maintaining guidelines for remote, hybrid, and in-person work. Amid such significant changes in the work environment, companies and their employees face the risk of losing touch with the culture that once defined the organization.

USE AND INTENDED AUDIENCE

This report provides information and insights into corporate culture with respect to a changing work environment, the impacts of those changes on fraud risks, and how organizations can enhance their culture in light of the various factors presented to strengthen fraud deterrence and detection and fraud risk mitigation. The information herein is based on current research and interviews with subject matter experts representing members of the financial reporting ecosystem. This report is intended for all members of the financial reporting ecosystem and relevant key stakeholders, all of whom have a role in deterring and detecting financial reporting fraud and/or establishing culture within organizations.

Understanding Changes in the Current Work Environment

A proactive approach to culture can deter various types of misconduct and promote behaviors that can enhance morale and productivity. Well-communicated ethical standards also make it more difficult to rationalize fraudulent actions. Management is primarily responsible for an organization's culture. Together with the board of directors, management sets the tone at the top by communicating and visibly adhering to clear ethical principles and codes of conduct, and by providing necessary support for strong fraud risk management and anti-fraud programs.

A proactive approach to culture can deter various types of misconduct and promote behaviors that can enhance morale and productivity.

Culture may be a moving target, however, as companies navigate changing work environments and different employee expectations, many organizations are radically retooling the ways they do business, leaving many employees, including managers, stressed and disconnected.¹ In addition to looking for flexibility with respect to where they work, employees are seeking greater empathy, more autonomy, and control over other areas of their work life, according to human resources and culture subject matter experts.²

Understanding the current work environment, coupled with the changing fraud risk landscape, requires examining the root cause of any related culture change, according to Anne DeTraglia, Vice President of Audit and Risk at Sabre Corporation. One clear critical driver is the ripple effects from the pandemic, which brought on chronic stress, collective grief, and significant business disruptions—“that is an underlying simmering foundation for fraud,” said DeTraglia. At the same time, as a result of the [Great Resignation](#) during the pandemic, ongoing corporate layoffs, and reorganizations in its wake, understaffed teams may feel pushed to achieve goals by any means. “When employees are under pressure, they take shortcuts and circumvent the rules because they notice that no one is paying attention to the movement of money,” noted DeTraglia.

In response to the loss of talent, work quality may decline, and new employees may become responsible for controls and processes that are beyond their expertise. As a result, when turnover is high and key positions become vacant, employee morale may inevitably wane, and even well-established corporate cultures can become conducive to fraud and misconduct. Against this backdrop, it is critical that organizations address the impact of a new and evolving work environment and the effect it may be having on their culture and their fraud risks. New approaches can be positive, but they can also alter a company’s identity and culture in ways that may not be desirable or immediately apparent.

MANAGING CHANGING EMPLOYEE EXPECTATIONS AND WORK ARRANGEMENTS

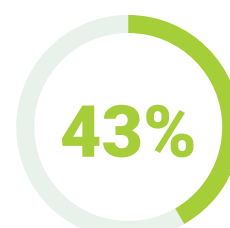
Long periods of working from home during the pandemic and the entry of a new generation into the workforce have significantly changed employee attitudes. In a McKinsey & Company study, 10% of workers worldwide said they would likely quit their jobs if they were required to work at the office every day. They also agreed that they would forgo more than 20% of their compensation to work the right number of days at home.³

As more companies implement return-to-office policies, the potential for a shift in workplace culture is significant. Pushing employees to return to the office without considering their preferences could potentially lead to higher turnover, especially in industries where remote work is often more practical. In fact, turnover rates are about 30% higher in strictly in-office roles compared to hybrid or remote positions.⁴ When Dell mandated a return to the office five days a week, nearly half of full-time workers in the United States and one-third workers overseas, continued to work from home, despite being warned that they would no longer qualify for promotions.⁵ 91% of Amazon workers were dissatisfied when Amazon

ANNUAL STATE OF HYBRID WORK REPORT (2024)



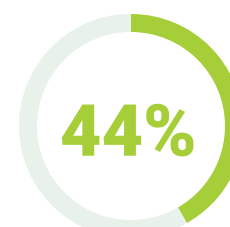
of respondents worked full-time in an office, down from 66% in 2023



of respondents say their work stress levels are higher than a year ago



of respondents say their company has altered its remote or hybrid working policy in the past year



of respondents say they engage in coffee badging, or checking in at the office briefly, then leave to work remotely

1 Gallup, [6 Workplace Trends Employers Should Watch in 2024](#), 2023.

2 O.C. Tanner, [The Company Culture Trends Report: Key Insights for 2025](#), 2024.

3 McKinsey Global Institute, [Empty Spaces, Hybrid Places](#), 2023.

4 Payscale, [2024 Compensation Best Practices Report](#), 2024.

5 Fortune, [Nearly Half of Dell's Full-Time Workforce in the U.S. Has Rejected Returning to the Office. They'd Rather Work from Home than Get Promoted](#), 2024.

took the same step, and 73% said they would consider looking for another job.⁶ Attempts to impose return-to-office mandates have been met with mixed success, including pushback from some employees and tension in the workplace.

Additionally, the increased number of employees returning to offices may contribute to more congestion and commuting stress, which could further impact employee morale. As return-to-office policies continue to change, companies that struggle to bridge the gap between employer and employee views on returning to work in the office could risk harming its culture. In addition to the potential increase in turnover and decrease in job satisfaction, there may be other unintended consequences arising from return-to-office mandates that have yet to be recognized.

THE RELATIONSHIP BETWEEN CHANGING WORK ENVIRONMENTS AND EMPLOYEE DEMOGRAPHICS

As companies aim to evolve their culture, it is important to recognize the considerable impact of demographics on employees' attitudes and experiences with regards to remote, hybrid, and in-person work. Although both men and women value workplace flexibility, as the pandemic was ending, 38% percent of mothers with young children said they would have to quit or reduce their hours without flexibility.⁷

The same research found that being on-site is likely to be more professionally beneficial for men than women—by a whopping 7 to 9 percentage points. In general, in-person employees will likely find it easier to build the relationships that lead to career advantages and receive more recognition and rewards for their accomplishments. As a result, women who work remotely will be even less likely to have access to career beneficial opportunities than before. With that in mind, organizations should ensure everyone can equally reap the benefits of on-site work despite their arrangement.

In practice, decisions on where to work tend to apply mainly to college-educated, white-collar office workers because many jobs—such as food service, retail, construction, manufacturing, and hospitality—typically require on-site staff. In healthcare, medical staff typically cannot work from home, but they are not compensated for missing out on a benefit that administrative staff and other office workers enjoy, noted Karen Brady, Corporate Vice President of Audit and Chief Compliance Officer at Baptist Health South Florida. This inequality can damage a cohesive culture and provide rationalization or motivation for fraud, she said.

THE COST OF DECREASED ENGAGEMENT

Based on the most recent Gallup research, employee engagement has dropped to its lowest level in more than a decade, with only 32% of workers fully engaged, up slightly in the second quarter of 2024 after hitting an 11-year low in the first. Employees who are not engaged, or are actively disengaged, account for significant drops in lost productivity, Gallup found.⁸ Disruptions have included lack of clarity or cohesion due to team restructuring after the Great Resignation, staffing challenges

As return-to-office policies continue to change, companies that struggle to bridge the gap between employer and employee views on returning to work in the office could risk harming its culture.



6 Blind Workplace Insights, [Amazon RTO: Employees Don't Want to Work in the Office Five Days a Week](#), 2024.

7 McKinsey & Company, [LeanIn.org, Women in the Workplace](#), 2023.

8 Gallup, [In New Workplace, Employee Engagement Stagnates](#), 2024.

caused by layoffs and budget cuts, added job responsibilities, and managers' lack of formal training in leading hybrid teams.⁹ These can undo the value and guardrails that a positive culture offers.

Age is also a factor in engagement. Gallup found that since March 2020, engagement has risen for baby boomers born between 1946 and 1964. The opposite is true for younger workers, especially among millennials and Gen Z employees.¹⁰ In fact, among those born after 1980, the level of happiness with each year of age has decreased, according to the Gallup World Happiness report.¹¹ Among those born before 1965, on the other hand, life evaluations improve with age. "Although generational divides are often exaggerated, this divergence should be on leaders' radar,"—but it may not be noticed by older leaders. "A decade ago, younger workers had consistently higher life evaluations than older workers; therefore, the difference in perspective is unlikely to be a product only of life stage," according to Gallup.¹²

ADDRESSING EVOLVING EMPLOYEE NEEDS

Remaining flexible is clearly an important success factor in tackling employee expectations and demographic differences. Many organizations will have to address the attitudes of both workers who do not have the option of remote or hybrid work because of the nature of their jobs and younger employees who began their career working remotely. Recognizing these complexities and being aware of the range of employee attitudes will be key to rebuilding a strong and ethical corporate culture.

Although working side by side can help strengthen culture, requiring employees to come to the workplace can alienate workers who prefer remote or hybrid options. Management can help mitigate this issue by following the same rules as employees, whatever they may be, and, most importantly, by taking the opportunity to engage with staff so they feel more connected to the organization and its leaders.

Creating strong teams is another positive strategy. According to ADP Research Institute, on-site and hybrid workers are about three times more likely to be highly engaged if they are on a team. Even without teams, hybrid workers had an advantage. They were 1.7 times more likely to be fully engaged than on-site workers and 1.9 times more likely than those who worked remotely.¹³

FLEXIBILITY REMAINS A TOP MOTIVATOR



37%

of job seekers are looking for
a fully remote position



60%

of job seekers want a hybrid role



31%

of professionals who are searching for a
job or plan to do so soon said a primary
reason for the search was a desire for
more work flexibility

⁹ Gallup, *U.S. Employment Inches Up Slightly After 11-Year Low*, 2024.

¹⁰ Gallup, *The New Challenge of Engaging Younger Workers*, 2024.

¹¹ Gallup, *World Happiness Report 2024*, 2024.

¹² Gallup, *State of the Global Workplace: The Voice of the World's Employees*, 2024.

¹³ ADP Research Institute, *Employee Engagement Is Up. Hybrid Work—and Teamwork—Deserve the Credit*, 2024.

Culture and Human Resources Considerations

Several human resources processes provide opportunities for organizations to introduce their culture in a remote, hybrid, and/or in-person work environment to new employees, and to remind existing ones of its significance and relevance. The following are a few suggestions:

RECRUITING AND HIRING

Effective Ways to Hire Remote and Hybrid Employees

- ▶ Define your remote and hybrid culture with as much detail as possible to ensure new employees are a good fit for your culture and prevent any misunderstandings.
- ▶ Seek candidates whose experiences prove they are self-motivated, communicate well, have strong time management skills, and exhibit strong problem-solving skills.
- ▶ Because approaches to remote and hybrid arrangements are evolving in the workplace, revisit your hiring process regularly to ensure its adequacy and appropriateness.

ONBOARDING AND TRAINING

Effective Tips for Onboarding Remote Employees

- ▶ Create an orientation checklist and cover key topics such as job duties, company policies, and expectations to stay organized through remote onboarding.
- ▶ Provide a list of people the employee will work with and how they will work together. Make it personal through face-to-face introductions with colleagues and other teams.
- ▶ Assign a peer mentor to help the new employee navigate the company culture and foster connections virtually.

PERFORMANCE MANAGEMENT

Invest in Better Remote Performance Management

- ▶ Managers should focus on output and set concrete and measurable expectations that show progress toward an established objective.
- ▶ Encourage frequent feedback with ongoing check-ins to clarify expectations.
- ▶ Emphasize achievements and employees' positive impact on the organization, while avoid micromanaging employees' work.

Define your remote and hybrid culture with as much detail as possible to ensure new employees are a good fit for your culture.

OFFBOARDING

The State of Offboarding Security for Remote Employees

Seventy-six percent of executives said employee offboarding represents a significant security threat. In the past, companies simply canceled an employee's access to company systems and documents, but "this method doesn't factor in the possibility of employees having access to company data through their personal accounts, either accidentally or on purpose. This access can persist for years after an employee leaves an organization." Some threats to consider include the following:

- ▶ Access privileges (64%)
- ▶ Personal device management (61%)
- ▶ Shared passwords (42%)
- ▶ Disgruntled employees (42%)
- ▶ Email forwarding (42%)
- ▶ Collaboration tools and databases (36%)

NEW WORKING MODELS HAVE A UNIQUE IMPACT ON COMPANIES' GOVERNANCE, RISK, AND CONTROL PROCESSES

Governance: Although management is responsible for establishing and nurturing culture, boards are tasked with assessing it, monitoring it, and expressing concerns when it seems to be on the wrong track. "An assessment of the corporate culture should be on the board's agenda at least annually so all board members can weigh in, sharing insights from committee oversight," according to PwC,¹⁴ who also noted that new employee mandates for in-office or remote work arrangements are one trigger for an organization wide culture shift.

Risk: Remote work and the decentralization of operations present new challenges for compliance departments. "Previously, compliance departments often interacted directly and regularly with organization leaders and employees, traveled for on-site audits of corporate locations and third-party service providers, performed in-person investigations of alleged compliance violations,

and operated under tight but adequate budgets," according to Practical Law. Now, however, compliance departments must vie for contact with senior leadership to cope with new corporate vulnerabilities and more numerous possibilities for employee misconduct.¹⁵

Controls: Specific adjustments to control processes will vary by organization, but maintaining positive connections throughout the organization is a major area of concern for internal auditors. Remote work can certainly make it difficult, if not impossible, to conduct in-person audits and site visits. In addition, one Internal Audit Foundation and AuditBoard study found that 40% of audit leaders said their relationships with non-audit colleagues in the organization had weakened in the remote environment. Audit leaders are scheduling informal meetings with non-audit peers to maintain a good sense of what's going on in different areas and to enhance collaboration and quality in future audits.¹⁶

¹⁴ PwC, *Why Does the Board Need to Know the Company's Culture? Hint: To Make Sure It's an Asset, Not a Liability*, 2024.

¹⁵ Practical Law, *Impacts of Remote Work on Compliance*, 2024.

¹⁶ Internal Audit Foundation, AuditBoard, *The Remote Auditor*, 2021.

The Impact of a Changing Work Environment on Fraud Risks



The shift in work environment leads to higher risk, and though these may vary in magnitude by sector and organization, the broader threats include data theft, cybercrime, and occupational fraud.

**Organizational
Vulnerabilities in a
Protracted
Work-from-Home
Scenario**

Employees who feel untethered from their organizations while working remotely may be more likely to justify or attempt fraudulent behavior, and they may find it easier to perpetuate fraud or engage in misconduct without being caught. The most common behavioral red flag for fraud, according to the Association of Certified Fraud Examiners (ACFE), is an employee who lives above their means.¹⁷ When an employee works on-site, managers or coworkers will be more likely to notice an expensive new car, clothes, or jewelry, to hear about a costly vacation, and/or to find fraud such as evidence or documents on someone's desk, noted Brady. Other typical red flags, such as an unusually close relationship with a vendor or customer, may also go unnoticed with remote employees.

Considering relationships can be more difficult to build in a remote environment, companies will also have to consider how the lack of spontaneous in-person contact—casual conversations while waiting for the elevator or impromptu lunches together—can reshape their culture and, ultimately, their current and long-term fraud risk environment. “They say you never fraud a friend,” noted one finance executive interviewed for this report, but deep friendships may be less likely to develop if online meetings are the only contact. DeTraglia agreed that “if you feel that you are part of the company, you don’t want to hurt it.”

The remote environment has also changed how people are held accountable, noted Brady. Instead of requiring employees to be at a workplace from 9 to 5 for example, when there are more fluid expectations for hours and location, management has had to develop other metrics that employees must meet. If there is a greater emphasis on production or performance, that can unintentionally drive workers to cut corners or engage in fraudulent behavior, she said.

MITIGATING FRAUD RISK IN CHANGING WORK ENVIRONMENTS

As work practices shift, comprehensive assessments of controls are critical from a risk management perspective, indicated a Vice President of Internal Audit. Noting that events such as the Great Resignation can cause weaknesses in the control environment, “corporate controls to mitigate potential fraud risks arising from these weaknesses include bringing in experts to train employees on cyber fraud risks; establishing technological processes to establish secure and effective hybrid work environments; implementing IT controls for hiring, onboarding, and offboarding processes; and fostering a culture of belonging and integrity where employees feel valued and do the right thing.”¹⁸

At the same time, it is important to acknowledge the new risks coming to light as a result of the changing work environment. A Vice President of Internal Audit indicated “the risk all companies face when going from

¹⁷ Association of Certified Fraud Examiners, [Occupational Fraud 2024: A Report to the Nations](#), 2024.
¹⁸ Anti-Fraud Collaboration, [Fraud and Emerging Tech: The Great Resignation](#), 2022.

on-premises work to remote is whether people are actually doing their work.” In addition to this potential timesheet fraud, remote work has opened the possibility of employees working more than one full-time job at a time or otherwise failing to devote sufficient time and attention to their responsibilities. Technology also makes it easier for employees to appear to participate in meetings by staying off camera or using an avatar in their place. As part of these types of schemes, employees may outsource some tasks or solely rely on artificial intelligence (i.e., GenAI, ChatGPT) to do the work for them.¹⁹

Companies can do the following to monitor remote employees’ activities:

- ▶ Collect metrics to track outcomes, such as the number of transactions processed, or to determine if a function or employee is incurring costs in accordance with the compliance policy, said an Internal Controls Manager.
- ▶ Use software that records keystrokes, locates where an employee is working, shows which projects employees are working on, or tracks idle screen time.
- ▶ Set frequent deadlines and other check-ins to validate that work is performed.

In setting new controls, however, companies should consider the possibility that intrusive monitoring may have risks or negative consequences. It may, for example, give the impression that the company does not trust its employees, which in turn may lead to a deterioration of the company’s culture and encourage those employees to rationalize engaging in misconduct or fraudulent behavior.

Steps to Enhancing an Ethical Culture to Deter and Detect Fraud

In a strong ethical culture, pressure to commit fraud can be offset by sound risk management practices and appropriate incentives. However, in a time of constant disruption and changing work environments, management will have to step back regularly in order to identify new and emerging risks and how to most effectively monitor and address those risks. “A robust culture assessment allows for early detection of warning signs, allowing leadership to take active steps to prevent and address problems,” according to the AFC.²⁰ Organizations should consider a variety of tools or techniques that can enhance culture and deter fraud and misconduct in a changing work environment, including some of the following:

Controls, processes, and policies. Well-designed controls minimize opportunities for fraud and enhance the likelihood of early detection. In setting controls and conducting risk assessments, the more proactive steps that are taken, the better it will be for the company, according to Brady. “Often we do risk assessment on the back end to assess what

INTERNET SURVEILLANCE IN THE WORKPLACE



48%

of hybrid employees reported workplace monitoring



37%

of fully remote employees reported workplace monitoring



39%

of respondents said employer monitoring **negatively** affected their relationship with their employer



43%

of respondents said employer monitoring **negatively** affected company morale

¹⁹ The Institute of Internal Auditors, [On the Frontlines: Remote Worker Fraud](#), Internal Auditor, 2024.
²⁰ Anti-Fraud Collaboration, [Assessing Corporate Culture: A Proactive Approach to Deter Misconduct](#), 2020.

happened and what controls were in place,” she said, but that approach has limited effectiveness. In an environment in which culture has been disrupted and work environments have changed, tailored and proactive steps should be taken instead to identify factors that will contribute to fraud before a crime occurs.

Applying the fraud triangle. The same elements of the fraud triangle—pressure, opportunity, and rationalization—will apply in the remote environment, but organizations will have to consider how to address them in an evolving environment. As mentioned, job losses or other financial disruptions during the pandemic may exert the kind of pressure that can lead to fraud. At the same time, if there is less focus on physical controls, network access, IT security protocols, and managerial oversight in a remote or hybrid environment, opportunity is increased, according to the ACFE. Being disconnected from colleagues and office socialization can make it easier to rationalize crimes as well.²¹ A robust fraud risk management program and adequate levels of controls provide a solid foundation in all situations, said Mike Levy, Chief Executive Officer and Managing Principal at Cherry Hill Advisory.

Measuring sentiment through employee surveys. The subject matter experts interviewed for this report considered employee surveys to be highly valuable, yet also underused. In creating surveys, organizations should remember that human resources may have the expertise to take the temperature of the organization, but may not craft questions that will spot potential fraud, DeTraglia said. In fine-tuning surveys for a changing work environment, organizations should be sure to include the compliance and internal audit function in this process to focus on risk considerations. For example, there are statements that can reveal ethics and culture issues, whose answers could be an indicator of potential fraud:

- ▶ *In my organization, we get things done no matter what.*
- ▶ *We do whatever the leader asks without question.*
- ▶ *I believe my leader is an ethical person.*
- ▶ *I have seen someone do something unethical in the past six months.*
- ▶ *I know how to report ethical lapses.*
- ▶ *I am looking for another job.*

Parsing the results by level or function can also provide insights into where culture issues may be concentrated. For example, top leaders may have an upbeat view, whereas middle managers may report they do not have the necessary resources to do a good job. Department leaders should be asked to review the results and create a plan to address them, Brady said. In particular, the data should be correlated with whistleblower program metrics, according to Levy, to see how well the whistleblower program reflects actual problems. A culture dashboard adjusted for a changing work environment can help companies monitor metrics from a range of areas. In addition to employee survey data, common metrics include turnover and attrition data among workers and how they are affected by their work arrangements, retention rates, exit interview feedback, and so on.²²

Use of technology. Software makes it possible to understand a team’s work habits, encourage communication and feedback, and recognize and reward achievements. The tools that companies can use include

A culture dashboard adjusted for a changing work environment can help companies monitor metrics from a range of areas.

²¹ Association of Certified Fraud Examiners, [Organizational Vulnerabilities in a Protracted Work-from-Home Scenario](#), 2023.
²² Business.com, [Company Culture Metrics You Need to Be Tracking](#), 2025.

natural language processing, social network analysis, speech, voice and video analysis, sentiment analysis, and machine learning models.²³ Data analytics and predictive analytics can be powerful tools in identifying fraudulent activities in a remote environment. Technologies can also detect fraud indicators, identifying unusual journal entries or credit card spends, for example, said Levy. They can quickly and easily flag anomalies and inconsistencies early in the process, thus preventing costly fraud losses over time. Levy noted that frauds will often continue for a long time and can become costly and analytical tools can allow you to identify trends and outliers much earlier in process.

Fostering teamwork. As companies have found since the pandemic, although team building might have happened organically when workers shared a workplace, it needs to be more intentional with a remote and hybrid workforce. “If you foster interaction and communication between team members, it can create more engagement with the company, which ultimately can reduce fraud risk,” Levy said. That may include virtual team events as well as scheduling one-on-one meetings with staff. In addition to the typical office work communication channels, companies can create a digital space that is only for informal interactions, such as celebrating an accomplishment or a birthday. These spaces can even be used to create book clubs or other special interest groups.

Tone at the top. Like teamwork, this is an area where an intentional effort is necessary to model ethical behavior and attitudes. It is harder to communicate those attitudes in a remote or hybrid environment, but a written code of ethics or conduct can clarify expectations, as can reminders or commentary in an ethics newsletter from the company leaders. Team members should have a channel or regular meetings that enable them to pose questions to the organization’s leaders or to hear how the organization’s ethics and culture have been demonstrated.

Whistleblower and ethics hotlines. Those working in remote environments should be aware of whistleblower and/or ethics hotlines, other reporting channels and resources, and the existence of a “see something, say something” culture. Leaders should promote the hotline and ensure that expectations on ethics and integrity are understood. Ensuring that the hotline reports are anonymous and having a follow-up action plan in place are some of the top considerations for a successful hotline program. It is very important for companies to track that all reports have been addressed, including non-compliance matters that may appear unrelated to fraud. And in addition to assessing a hotline for its effectiveness, using the data that is collected from the hotline is also important as it can reveal a trove of valuable information, such as the company’s culture and trust in using the hotlines, in addition to potential indicators of fraud.²⁴

Transformation and change management. The pandemic and ongoing uncertainty about the work environment have driven significant changes in the workplace. Many employees counted on continuing to work from home, sometimes moving away from the physical office or building their childcare arrangements around it. When organizations changed their minds about work arrangements, these workers “felt like they had the rug pulled out from under them,” DeTraglia said. As they would during any

THE IMPACT OF CULTURE AND ETHICS ON COMPLIANCE

According to a roundtable discussion hosted by the AFC, a company can have an extremely robust compliance program on paper, but if the company’s culture and values do not embrace compliance, then its programs will likely not be effective. Having a strong ethical culture and ethically minded employees is a critical factor in fraud deterrence and detection. It is important to enforce the company’s culture by asking what actions will be taken and what the consequences will be for those who do not embody a culture of integrity and compliance, in all types of work environments.

²³ Instill, *Leveraging AI to Measure Your Company Culture*, 2023.

²⁴ Anti-Fraud Collaboration, *A Fraud Forum Hosted by the AFC: Continuing to Strengthen Fraud Deterrence and Detection*, 2025.


time of change, organizations should communicate the reasoning behind their decisions on remote or hybrid work, emphasizing the benefits for the entire company and reassuring employees that mandates on working in person do not reflect a lack of trust in their ethics or professionalism. This change management effort can help preserve a healthy culture.

Conclusion

As organizations continue to manage operating in remote, hybrid, and in-person work environments, they will continue to face significant shifts in organizational culture, risk assessment approaches, fraud risk landscapes, and employee expectations. When clear remote and hybrid work guidelines are not in place nor enforced, erosion of organizational culture, disengagement, and weakened connections can all become risk factors. With thoughtful approaches, companies can foster a culture that supports employees in remaining engaged and motivated, even when working outside of the traditional office space—while managing fraud risk at the same time.

There is not a one-size-fits-all approach, nor a silver bullet solution, for establishing and maintaining a strong ethical culture, whether in a remote, hybrid, or a more traditional in-person work environment. However, through using the various tools and techniques mentioned herein (e.g., implementing controls, measuring culture sentiment through employee surveys, tracking company metrics, leveraging technology, prioritizing teamwork, creating a positive tone at the top, and implementing strong change management policies), companies can create the foundation necessary to foster, reinforce, and enhance a strong ethical culture in a changing work environment.

There is not a one-size-fits-all approach, nor a silver bullet solution, for establishing and maintaining a strong ethical culture.



Resources

- ▶ Anti-Fraud Collaboration, [A Fraud Forum Hosted by the AFC: Continuing to Strengthen Fraud Deterrence and Detection](#) (2025)
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- ▶ Crowe, [Cultivating A Thriving Company Culture: Strategies For Mindful Leaders](#) | Crowe Global (2024)
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- ▶ PwC, [Workforce Radar](#) (2024)
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