



Illuminating integrity: Setting the ethical course

Just as lighthouses guide ships through shifting seas, an ethical tone at the top helps organizations navigate today's complex business environment

Off the coast of North Carolina, a swath of ever-shifting sandbars called Diamond Shoals wrecked so many ships that it became known colloquially as “the graveyard of the Atlantic.”

To help guide crafts in managing Diamond Shoals’ many risks, the Cape Hatteras Light Station was built high on the shoreline in 1803. Over the centuries, the lighthouse’s look and location have shifted in response to changing needs and conditions, but its towering beacon has been steadfast, long lighting the way.

What is true in coastal navigation also holds true in business ethics: At all times—but especially in volatile, uncertain, complex, and ambiguous environments—an entity needs guidance to chart a successful course. And that guidance has to come from the top.

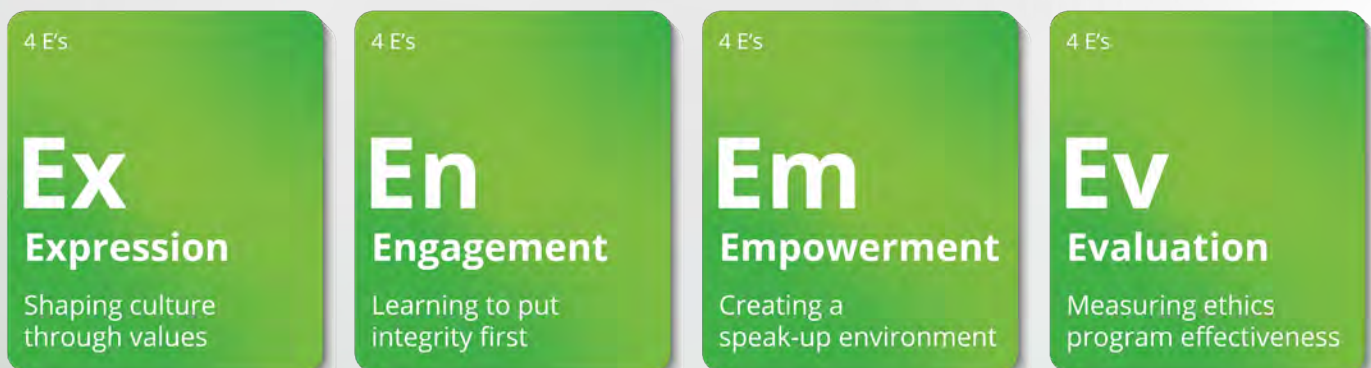
Why tone at the top matters

Today’s rapidly evolving business landscape requires an organization’s ethical culture to be set not by policies alone, but by the visible actions, indelible messages, and unwavering commitment of its top leaders. As introduced in Deloitte’s “[Leading with ethics](#),” the first of the four elements of ethical leadership—**Ethics Expression**—underscores the CEO’s and executive team’s responsibility to light the way on integrity and quality in workplace culture.



Ethics Expression is the deliberate and consistent communication of organizational values and ethical standards, coupled with explicit expectations for employee conduct. As in sailing, it’s not enough to assume that the correct course is clear or intrinsically understood. Executives need to show what ethical behavior looks like, why it matters, and how it aligns with the organization’s mission and long-term success.

The four elements of ethical leadership | The 4 E’s



This requires focused attention amid an increasingly multifaceted workforce. The [2025 Gen Z and Millennial Survey](#) from Deloitte Global reveals that some workers earlier in their careers are particularly attuned to organizational ethics. Around 40% of surveyed Gen Zs and millennials have passed on work assignments based on their personal ethics. And around 40% of the same cohort reported rejecting a potential employer that was not aligned with their values and beliefs.¹



2 OUT OF 5

Gen Zs and millennials have rejected a potential employer based on their personal values.



Source: 2025 Gen Z and Millennial Survey, Deloitte Global

Many of today's talent are looking for beacons signaling ethical leadership. Leaders who recognize that their people are the key to organizational success should consider whether they're doing all they can to set a tone of integrity, not only to attract talent but to keep them engaged in a way that drives growth ethically and responsibly. A clear ethical tone at the top can also help reduce the risk of misconduct, regulatory breaches, and reputational damage, as employees are less likely to rationalize unethical behavior when leadership's expectations are explicit and non-negotiable.

To help their organizations chart their own courses, ethical leaders can rely on the same key insights that keep ships safe.

Lighthouse Lesson 1: Illuminate the way.

For as long as ships have been sailing, they have needed reliable guidance, with the first lighthouse, the fire-topped Pharos of Alexandria in Egypt's Nile Delta, completed circa 280 BCE. Early innovators recognized how placing light high on the horizon could help mariners determine their position relative to dangerous areas, informing the choices that keep them on a safe course.

Some estimates put the number of vessels lost amid the colliding sea currents off Cape Hatteras at upwards of 1,000. The solution to this steep cost? Critical wayfinding assistance in the form of a lighthouse.

For executive leaders

Like a lighthouse's constant beam, it's important for leaders to vigorously and consistently communicate that integrity is foundational to the way the organization conducts business. The CEO and executive team should convey that acting with integrity is as important as business outcomes—and that it is the responsibility of every person in the organization.

At the same time, it's important to ensure the organization has the right people and infrastructure to cascade these messages to all levels and to convey consequences of ethical lapses. The workforce needs to know what's expected, along with what can happen when they stray off course.

Findings from the Ethics & Compliance Initiative's Global Business Ethics Survey as reported in "The State of Ethics & Compliance in the Workplace—United States Trends" indicate that when employees perceive a weak ethical culture in their organizations, they are four times more likely to feel pressure to compromise standards than employees who perceive a strong ethical culture.² This means it's critical that leaders do all they can to signal the culture they want to see. That starts with tone and messaging.

In practice

- **Walk the talk:** Model ethical behavior in all decisions, even when it proves challenging or more costly. Personal accountability is vital, as any disconnect between actions and words can erode credibility.
- **De-mystify decision-making:** Explain the rationale behind difficult choices, especially when navigating tricky areas, to demonstrate how your organization's values guide its actions.

Lighthouse Lesson 2: Always be accessible.

A beacon's brightness matters. Perhaps more important: that it can be seen. The first Cape Hatteras lighthouse wasn't tall enough for its light to curve over the horizon to warn ships at night, so it was later rebuilt higher.

Also, the original unpainted sandstone structure blended with its surroundings, making it nearly invisible to ships sailing by day. Today, the lighthouse's bold, spiral-stripe "daymark" distinguishes it from other lighthouses on the route, helping to keep crafts oriented. A lighthouse's strength is its reliable presence.

For executive leaders

Data shows a disconnect between how some leaders believe they are showing up and how workers perceive them. In a 2023 Ipsos/GE poll of more than 650 executives and entry-level staff at United States businesses in a variety of industries, around 9 in 10 C-suite leaders reported that their executive teams embody their organizations' leadership mindset every day. Yet only about 6 in 10 entry-level employees agreed that was true.³ To be most effective, leaders should ensure their values shine throughout the organization uninterrupted.

Messaging that conveys those values should reach people where they are, appear in formats that work for all employees, and feature a variety of contexts to bring the ideas to life. Leaders can infuse ethics messaging everywhere, often—in organization-wide communications, all-hands meetings, discussions, and presentations.

Leaders also should make it clear that when it comes to ethics, their doors are always open. This can include actively listening when approached in person and reiterating—both verbally and in writing—that feedback, ideas, and concerns are welcomed from everyone, regardless of title. It also can involve making it a practice to sit with employees and teams periodically to discuss ethical challenges they may be facing and to celebrate ethical wins. The more a workforce sees and hears leaders consistently talking about integrity and following the ethical route while successfully negotiating its many obstacles, the greater the chance they will act ethically, too.

In practice

- **Leverage technology:** Use video messages, virtual town halls, and collaboration platforms to maintain visibility and connection, especially amid a distributed workforce.
- **Employ storytelling:** Share real-life examples of ethical decision-making—both successes and lessons learned—to help humanize ethics and make abstract principles tangible.



Workers perceiving a weak ethical culture are

4x MORE LIKELY

to feel pressure to compromise standards.



Source: The State of Ethics & Compliance in the Workplace—United States Trends, 2024

Lighthouse Lesson 3: Adjust to changing conditions.

Just as ethics messaging shouldn't stay static over time, neither can lighthouses. The Cape Hatteras light's earliest lamps burned whale oil. Kerosene and electricity followed.

Amid this technological evolution, however, beach erosion threatened the original lighthouse structure and altered its orientation to the sea. For a time, the beacon had to be relocated to a separate steel tower. After the lighthouse building was moved inland, re-establishing its original distance to the shoreline, it was reunited with the light. To maintain effectiveness, the lighthouse had to keep transforming.

For executive leaders

In the Deloitte Global report "[How boards are nurturing and measuring stakeholder trust](#)," 82% of the board members and C-suite executives surveyed say the CEO holds the ultimate responsibility for trust leadership at the company.⁴ Yet shifting factors may make building trust as challenging as ever.

Today's workforce spans five generations, which may have distinct values and communication preferences. Many workplace cultures are still adjusting to contemporary ways of working, including

hybrid setups. The emergence of artificial intelligence (AI) and other rapid technological advances has some employees across all sectors wondering about the future of integrated work, and business and geopolitical dynamics can sometimes overlay even the most mundane decisions.

Amid so much change, executive leaders should consider how they identify and address the evolving risks their organizations and their workers may face—and whether their ethics messaging should shift in order to keep lighting the correct course.

In practice

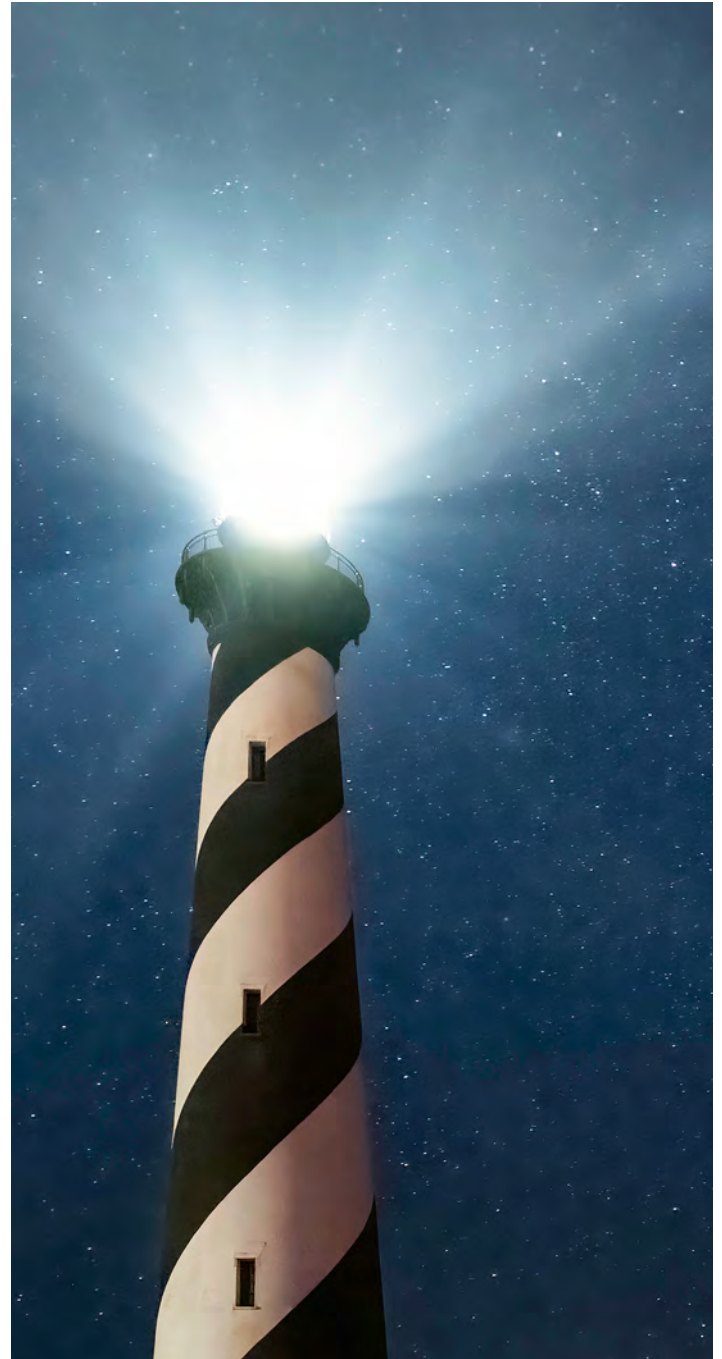
- **Acknowledge uncertainty:** Be candid about challenges and unknowns, reinforcing that even as market or business conditions change and organizational policies evolve to address them, ethical standards remain non-negotiable.
- **Monitor culture:** Use feedback tools such as pulse surveys to gauge the ethical climate, identify trends, and understand emerging risks—and then evolve communication in response. (Gauging the effectiveness of that messaging is where another of the 4 E's, [Ethics Evaluation](#), comes into play.)

Conclusion

The CEO and executive team serve as beacons of their organization's ethics. Ethical leaders embrace that responsibility and set high standards for themselves, even in the face of opposition or personal risk.

The 4 E's of Ethical Leadership show that by prioritizing Ethics Expression—through clear communication, authentic leadership, and systemic reinforcement—executives set the course for a culture where integrity is not just expected but celebrated. Certainly, it's the right thing to do. But with a business environment defined by complexity and rapid change and a workforce that increasingly values organizational ethics, this commitment can also be a strategic advantage.

If leaders want to keep their ships sailing safely, it's up to them to light the way.



Endnotes

1. Deloitte Global, "[2025 Gen Z and Millennial Survey](#)," 2025, p. 36.
2. Ethics & Compliance Initiative, "[The State of Ethics & Compliance in the Workplace—United States Trends](#)," 2024, p. 11.
3. Ipsos/GE, "[From Ground Floor to Corner Office: Exploring the Leadership Mindset](#)," 2023, p. 12.
4. Jo Iwasaki, "[How boards are nurturing and measuring stakeholder trust](#)," *Deloitte Insights Magazine* 31, February 2, 2023.

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