

**LRN** Inspiring Principled Performance

SCCE PHILADELPHIA REGIONAL COMPLIANCE & ETHICS CONFERENCE  
DECEMBER 7, 2018

# PUTTING PEOPLE FIRST

## Are we #LISTENINGUP?

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**BUSINESS DAY**

### Steve Wynn Resigns From Company Amid Sexual Misconduct Allegations

Oxfam's deputy CEO resigns over sex crimes scandal

Credit Suisse launches investigation into sex assault claims

Harvey Weinstein Accused of Sexual Harassment

Did Michigan State fail to stop Larry Nassar like Penn State did with Jerry Sandusky?

Bill Cosby Is Found Guilty of Sexual Assault

FOUR WOMEN ACCUSE NEW YORK'S ATTORNEY GENERAL OF PHYSICAL ABUSE

More Than 80 Advertisers Have Dumped Bill O'Reilly's Show After Sexual Harassment Allegations

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### Business in Expected to Lead

Percent who agree and percent who say each is one of the most important expectations they have for a CEO

Percent who say that CEOs should take the lead on change rather than waiting for government to impose it

# 64%

**For CEOs, building trust is job one**

Their company is trusted	69
Their products and services are high quality	68
Business decisions reflect company values	64
Profits and stock price increase	60

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**Nearly 235 million women worldwide lack legal protections from sexual harassment at work**

UCLA's WORLD Policy Analysis Center report examines all 193 U.N. member states  
UCLA Newsroom | October 25, 2017



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**#SHIFTHAPPENED**



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**#HashtagActivism — Turning Whispers Into Shouts and Fighting Stigma With Story**

#MeToo	#YesAllWomen
#AskMoreofHim	#NotAllMen
#MentorHer	#AbuseofPower
#TimesUp	#Complicit
#SilenceBreakers	

Facebook said that within 24 hours of Harvey Weinstein Scandal, 4.7 million people around the world engaged in the #metoo conversation, with over 12m posts, comments, and reactions.

Source: The Guardian October 2017

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### Policy Alone Will Not Shift Behavior




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**Facebook** Facebook CEO Mark Zuckerberg says the company's privacy policy is "not perfect" and that the company is "not doing enough" to protect user data.




**MARK ZUCKERBERG**  
RECOGNIZES THAT  
FACEBOOK DIDN'T DO  
ENOUGH TO PREVENT ITS  
MISUSE -

**Fifa** World football governing body Fifa lost nearly £300m in 2016 and is scheduled to lose further £400m in 2017.



**World football governing body Fifa lost nearly £300m in 2016 and is scheduled to lose more in 2017.**



**EQUIFAX**

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### Culture is a Key Driver of Impact



"... undertake an appropriate assessment of corporate efforts to create an organizational culture that encourages a commitment to compliance with the law and ethical conduct..."



"Culture needs to be set from the top. Members of the corporation need to know that the corporation is committed to ethical standards... and that executives... are role models for ethical business conduct"



"... A corporation is directed by its management and management is responsible for a corporate culture in which criminal conduct is either discouraged or tacitly encouraged."

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### The Culture Around Employees Who Observe a Lack of Accountability

Employees who observe a lack of accountability are

- 13x**  
More likely to make an important decision without thinking about values.
- 11x**  
more likely to not understand how to apply values into their day-to-day role.
- 10x**  
more likely to hesitate to speak up when observing or suspecting misconduct.
- 8x**  
more likely to have a manager who doesn't model values.
- 7x**  
more likely to report the company compromises its mission to achieve short-term results.

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### The Time for Building Relationships is NOT in the Middle of a Crisis

**Setting the tone** of a speak-up culture within the company often starts with leaders.

**Employees report misdeeds 71% of the time** when they believe top management is committed to ethics.

**Front-line management are the gatekeepers of culture.**  
**57% of people will go to their direct supervisor** when they observe misconduct

**Do they LISTEN UP?**

- **Less than 2%** of managers are formally trained around active listening
- **Average manager interrupts employees within 17 seconds** when someone is speaking.

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**To Activate Workplace Trust, Leaders and Managers can:**



**Embed corporate values prominently** into company-wide communication, messaging (metrics, scorecards, promotions)



**Respond** in a timely manner when concerns are raised



**Talk about values** as part of practical 'daily' business decision making



**Celebrate people**, recognize employees as individuals that need to be heard and valued



Invite **diverse opinions**, thoughtful dissent and open candor

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