

**SCCE San Francisco Regional
Compliance & Ethics Forum
May 18, 2018**

**SHIFT HAPPENED
Dr. Marsha Ershaghi Hames**

LRN *Inspiring Principled Performance*



Time Magazine, 2010



Time Magazine, 2017

Steve Wynn Resigns From Company Amid Sexual Misconduct Allegations



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

Eric Schneiderman has raised his profile as a voice against sexual misconduct. Now, after using Harvey Weinstein, he faces a #MeToo reckoning of his own.

By Jane Mayer and Ronan Farrow May 1, 2018

More Than 60 Advertisers Have Dumped Bill O'Reilly's Show After Sexual Harassment Allegations

By Abigail Thernstrom
April 6, 2018
Fox News has said it stands by O'Reilly



As Eric Schneiderman used the authority of his office to assume a major role in the #MeToo movement, the director of four women with whom he has had romantic relationships or encounters goes.

Oxfam's deputy CEO resigns over sex crimes scandal

Credit Suisse launches investigation into sex assault claims



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

By Eric Lipton, CNN
Updated 2:22 PM ET, Thu February 1, 2018





Bill Cosby Is Found Guilty of Sexual Assault




Four Directors Will Leave Wells Fargo's Board

By Stacy Cowley March 2, 2018






Volkswagen




Starbucks CEO: Reprehensible outcome in Philadelphia event
 We regret that our practices and training led to the reprehensible outcome at our Philadelphia store. We're taking immediate action to learn from this and be better. A statement from CEO Kevin Johnson:

The basis for the call to that led to the arrest of two men in a Philadelphia Starbucks was wrong and it should never have been made, wrote CEO Ke...




TECHNOLOGY


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



Nike's Head of Diversity Leaves During Review of Corporate Culture

By Matthew Townsend
 April 16, 2018, 2:58 PM EDT Updated on April 16, 2018, 4:02 PM EDT



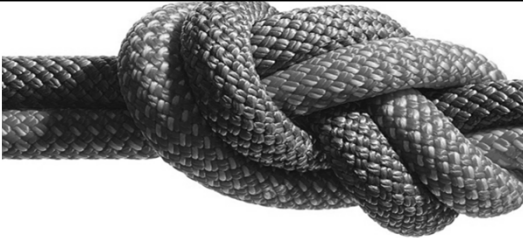


BY AARON K. CHATTERJI AND MICHAEL W. TOFFEL

DIVIDED WE LEAD

CEO activism has entered the mainstream.

THE LINEUP



ORGANIZATIONAL CULTURE

The Neuroscience of Trust

by Paul J. Zak

Harvard Business Review

LEADERSHIP

How to Be an Inspiring Leader

by Eric Garton
 APRIL 25, 2017

MOTIVATING PEOPLE

Employees Who Trust Their Managers Are More Likely to Trust Their CEOs

by Ashley Fulmer
 JULY 06, 2017

#SHIFTHAPPENED



2017 Word of the Year
complicit

Source: Dictionary.com

CULTURE IS A KEY DRIVER OF IMPACT

Regulators have long identified culture as a driver of Compliance & Ethics strategy.



US Federal
Sentencing
Guidelines

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



UK Serious
Fraud
Office

"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"



The
Department
of Justice

"... 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."



Festival de Cannes
@Festival_Cannes

Follow

Moving, historic, 82 women from all countries and professions in cinema have just made the red carpet entrance for **LES FILLES DU SOLEIL (GIRLS OF THE SUN)** by Eva Husson. #Cannes2018 #Competition



9:10 AM - 12 May 2018



Susan Fowler
@susanthesquark

Follow

One year ago, I challenged tech companies to end forced arbitration. Last month, I asked @dkhos to stop forcing victims of sexual harassment and assault into arbitration. Today, @uber decided to do the right thing, and has changed their arbitration policy




Uber Eliminates Forced Arbitration for Sex Misconduct Claims

The ride-hailing company will also eliminate a requirement that people who settle these claims sign a nondisclosure agreement.

nytimes.com


11:14 AM - 15 May 2018


Good Morning America
 @GMA

Follow

FULL INTERVIEW: "I personally apologize..." Starbucks CEO Kevin Johnson one-on-one with @RobinRoberts in his first interview after two black men were handcuffed at a Philadelphia store.


FULL STORY: abcn.ws/2HB91Lq



NEW YORK PHILADELPHIA, PA

NEWS EXCLUSIVE
 STARBUCKS CEO APOLOGIZES AMID ARREST OUTRAGE
 "YOU CAN AND SHOULD EXPECT MORE FROM US"

4:43 259K views



CNBC HOME U.S. NEWS MARKETS INVESTING TECH M/

CONSUMER RETAIL AUTOS FOOD AND BEVERAGE RESTAURANTS FASHION

Black men arrested at Starbucks settle for \$1 each, plus a \$200,000 program for entrepreneurs

- Rashon Nelson and Donte Robinson settled with the city of Philadelphia for a symbolic \$1 each and a promise from officials to set up a program for young entrepreneurs.
- The arrest of the two men touched off a furor around the U.S. over racial profiling.
- Starbucks CEO Kevin Johnson came to Philadelphia to personally apologize.

Published 12:58 PM ET Wed, 2 May 2018 | Updated 7:40 PM ET Wed, 2 May 2018

AP

CEO expresses the need to have the **uncomfortable dialogue**:

"I'd like to have a dialogue with them so that I can ensure that we have opportunity to really understand the situation and show some compassion and empathy for the experience they went through, finally as we're working to solve this, I'd like to invite them to join me in finding a constructive way to solve this issue."

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.

They are in the most **INFLUENTIAL** position to foster an environment for employees to raise concerns and speak out.

- 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.

LEADERS NEED TO MODEL #WALKTHETALK

1. Set the Tone
2. Practice having *uncomfortable conversations*
3. Be accessible
4. Be an active LISTENER
5. Take Action



The Value in Difficult Conversations

Published on November 15, 2017 | [Edit article](#) | [View stats](#)



Dr. Marsha Ershaghi Hames, CCEP
Governance, Risk & Compliance | Corporate Culture | E...

2 articles

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LRN Inspiring Principled Performance

The Demand for Moral Leadership



Think that their companies would make better decisions if they followed the Golden Rule (i.e. "Treat others as you would have them treat you.")



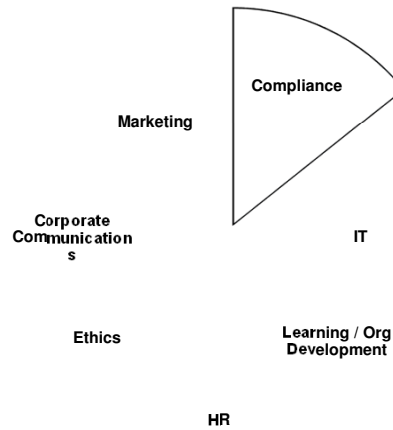
Think that their colleagues would do a better job if managers at their company relied more on moral authority as opposed to their formal power



Think that their organizations would be more successful in taking on their biggest challenges if their leadership had more moral authority

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REACH ACROSS THE TABLE: Collaborate Cross Functionally



SPARK DIFFICULT CONVERSATIONS

RESPECT IN THE WORKPLACE

A Zero-Tolerance Stance on Sexual Harassment for Supervisors

DO SOMETHING

Respect is a responsibility every supervisor and right action and a culture of sexual harassment in the workplace.

NO TOLERANCE

Respect is a responsibility every supervisor and right action and a culture of sexual harassment in the workplace.

Power implies an even greater responsibility to act in an ethical manner

POWER

PROVIDE

Set the example and create a culture where time is taken and respect is required to employees' allegations and concerns.

CHALLENGE

Set the example and create a culture where time is taken and respect is required to employees' allegations and concerns.

WARNING SIGNS

Set the example and create a culture where time is taken and respect is required to employees' allegations and concerns.

ENFORCE

Set the example and create a culture where time is taken and respect is required to employees' allegations and concerns.

RESPONSE

Set the example and create a culture where time is taken and respect is required to employees' allegations and concerns.

LISTEN UP

- Be approachable with an open-door policy.
- Listen up – time and attention should be meaningful.
- Take allegations seriously.
- Report concerns accurately and timely.
- Accurate policy and a reporting mechanism.

LEAD

- No biases or shared motives.
- Unbiased supervisor role.
- Be an positive/reproachable leader.
- Speak up – encourage zero tolerance for inappropriate behavior.
- Know your responsibility as a leader.

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Bullying Harms Everyone

What is bullying?

It's a cycle of behavior that is repeated over time, causing harm to the victim.

What are the impacts?

It can lead to physical and mental health issues, decreased productivity, and a hostile work environment.

What can I do to prevent bullying in the workplace?

SPEAK UP

We encourage all employees to report instances of bullying they are related to or witness.

Restoration is illegal and violates our values & policies.

LISTEN

It is a critical for managers and leaders to listen to employees that employees bring to them.

Display more courage, speaking up can be hard, but it is the right thing to do in preventing bullying.

Contact HR

HR is a critical for managers and leaders to listen to employees that employees bring to them.

Contact our Ethics & Compliance Department

HR is a critical for managers and leaders to listen to employees that employees bring to them.

Call our Helpline

HR is a critical for managers and leaders to listen to employees that employees bring to them.

7% of employees say they are currently bullied

20% have been subjected to bullying in the past

21% have witnessed bullying

23% are aware of bullying

30% are unsure of bullying

Who are the bullies?

Supervisor 40%
Peer 30%
Subordinate 30%

Bullying is not aligned with our values

Treat everyone with...
 • Dignity
 • Respect
 • Civility

Bullying impacts...
 • Performance
 • Morale
 • Everyone

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ALLY

An ally is a person who supports victims of harassment in the workplace and stands up for what's right. Here are a few ways to convey that you're an ally.

Listen actively

- Avoid assumptions.
- Don't talk over the person sharing.
- Give your full attention.

Avoid rationalizing bad behavior

- Don't explain away someone's bad behavior.
- If you feel you're making excuses, you probably are.
- Try to listen and support.

Be consistent

- It's not enough to simply refuse from bullying.
- Tell the bullies their jokes are not welcome.
- Stand up for the person being harassed.

Speak up!

- Being offended isn't enough.
- Harassers need to be reported.
- If you see it or hear it, speak up!

Educate yourself

- It's not the victim's responsibility to teach you what's right.
- How can you take your understanding to the next level?
- Seek out information that can help you be an ally.

Be respectful

- Saying you're an ally isn't enough.
- Limited interaction isn't enough.
- Invest your time and energy into understanding.

Your actions and reactions when you witness and respond to incidents of sexual or other harassing behaviors in the workplace will earn trust over time. Colleagues will identify YOU as an ally.

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COMPLIANCE is an OUTCOME of CULTURE

- 1. Reach across the aisle: collaborate cross-functionally**
- 2. Build 'Drip' campaigns: increase cadence of comms in short bits**
- 3. Align core messages with corporate values**
- 4. Education should integrate situational awareness & guidelines**
- 5. Simplify policies so they are tangible, actionable**
- 6. Workforce needs simulated practice APPLYING policy**
- 7. Build dialogue into existing meetings, stand-ups**
- 8. Be accessible, it takes courage to speak out**
- 9. Develop front-line leaders to LISTEN, take ACTION**
- 10. Measure accountability across the board**