


SCCE COMPLIANCE & ETHICS FORUM | SEPTEMBER 21, 2018 | WASHINGTON, DC

CAN'T PAPER EVERY BEHAVIOR MOVING BEYOND POLICY, PUTTING PRINCIPLES INTO ACTION

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BUSINESS DAY


Steve Wynn Resigns From Company Amid Sexual Misconduct Allegations

Every member of USA Gymnastics' board of directors has resigned

The USAG announced the resignations on the deadline set by the United States Olympic Committee in response to the crimes of Larry Nassar.

By Chris Greenberg | @ChrisGreenberg | Jan 31, 2018, 4:15pm EST

Oxfam's deputy CEO resigns over sex crimes scandal




HARVEY WEINSTEIN ACCUSED OF SEXUAL HARASSMENT

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

By Erin Lemmon, CNN
CNN.com 12:01 PM ET, Thu February 1, 2018

Credit Suisse launches investigation into sex assault claims



Is the CBS board complicit in the Les Moonves scandal?

Will the CBS board take action against Moonves? Can he weather the storm? With CNBC's Scott Wagner and the Fast Money traders, Tim Seymour, Karen Finerman, Dan Nathan and Guy Adams.

10:31

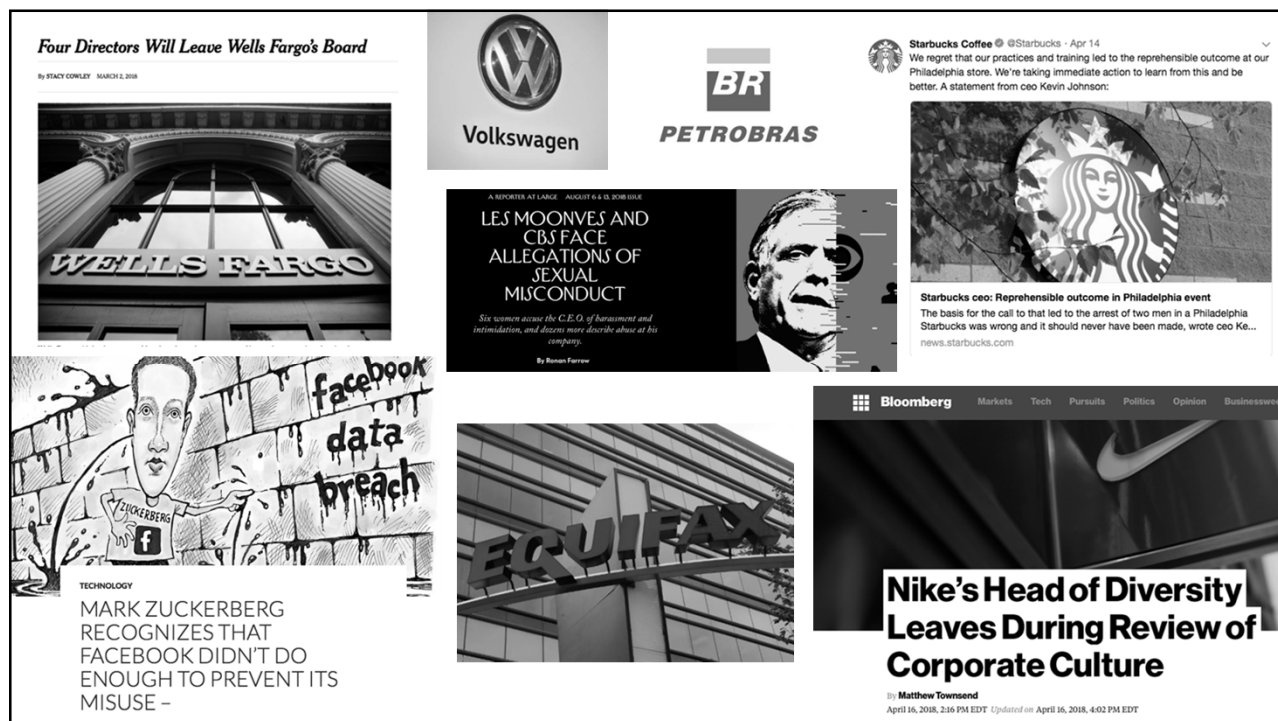
Is the CBS board complicit in the Les Moonves scandal?

5:59 PM ET Thu, 2 Aug 2018

Will the CBS board take action against Moonves. Can he weather the storm? With CNBC's Scott Wagner and the Fast Money traders, Tim Seymour, Karen Finerman, Dan Nathan and Guy Adams.

WATCH FULL FAST MONEY EPISODES

f t c i s



Culture is a Key Driver of Impact

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



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

US Federal Sentencing Guidelines



SFO 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"

UK Serious Fraud Office



"... 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."

The Department of Justice

2017 Word of the Year complicit

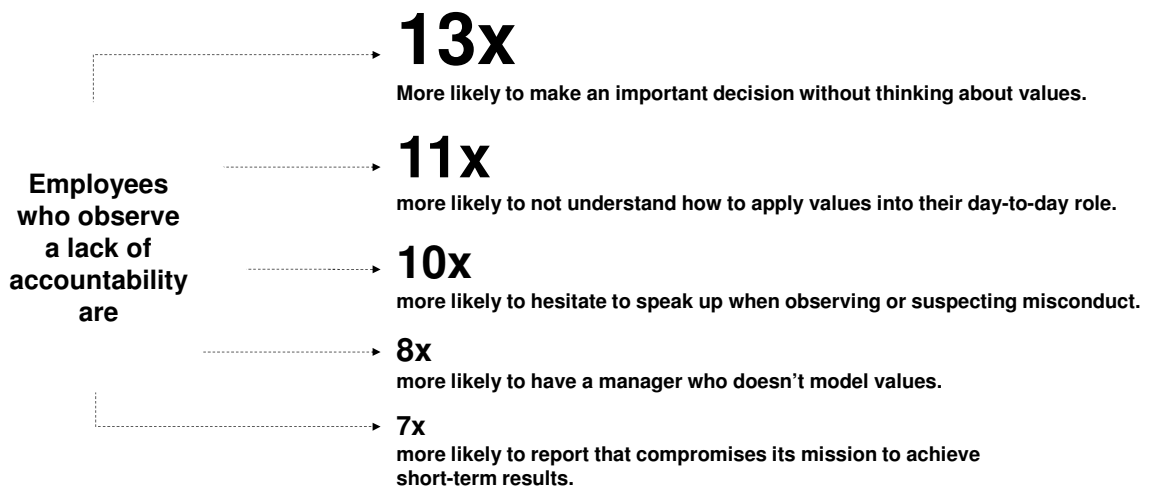
Source: Dictionary.com

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The Culture Around Employees Who Observe a Lack of Accountability



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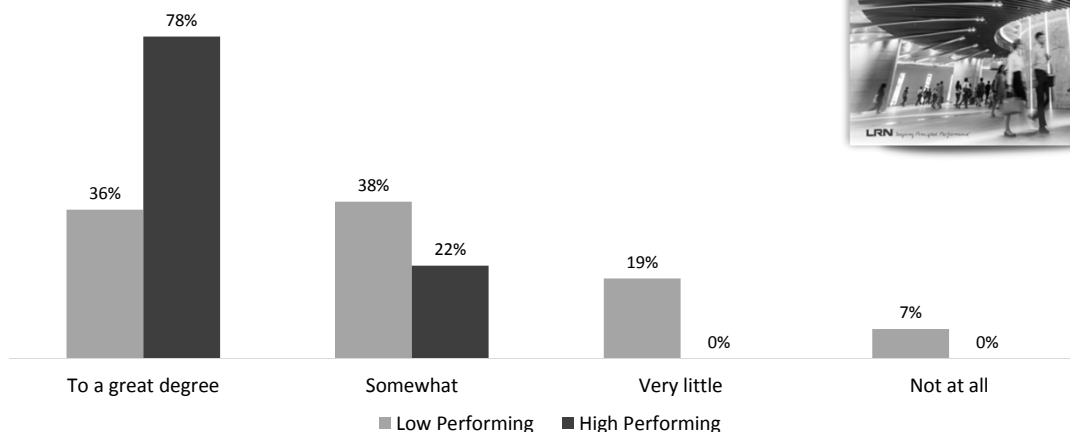
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RULES TO VALUES SHIFT:

Over the past five years, my organization's ethics & compliance program and efforts have increasingly focused on values, not just rules.

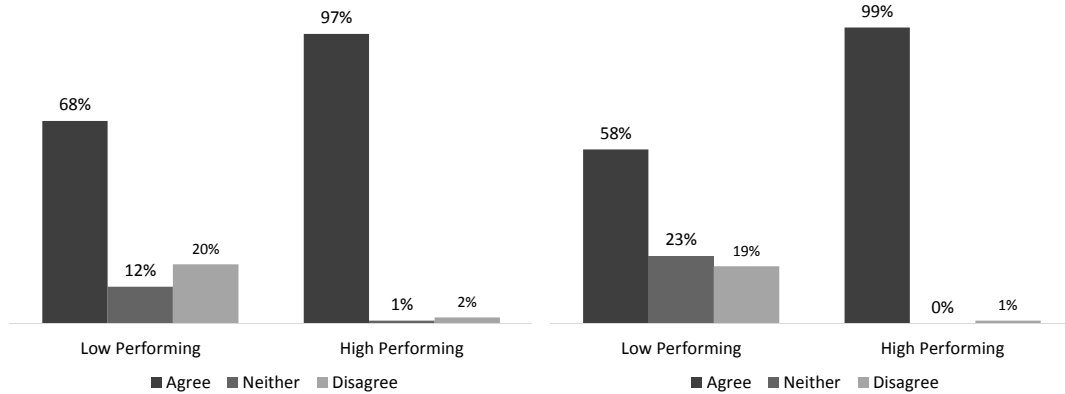


CODE REALIGNMENT: CODE OF RULES TO CODE OF PRINCIPLES

Rate the degree to which your organization's code of conduct meets the following goals:

Integrates organizational core values by expressing them in behavioral terms

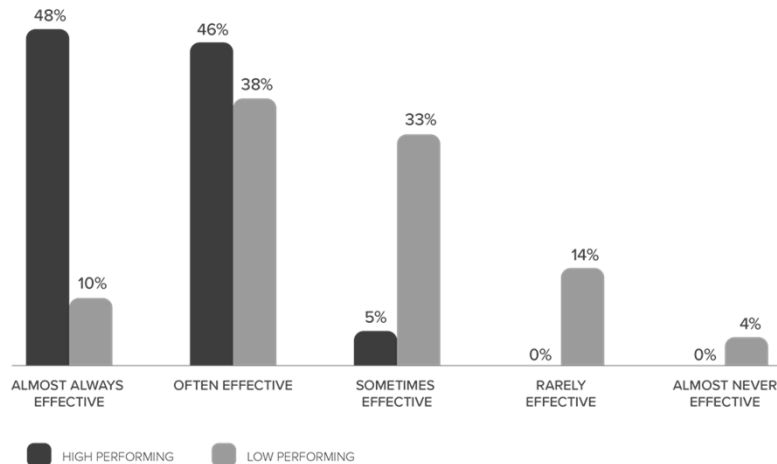
Connects people with a clear sense of the organization's purpose



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Indicate how you would characterize the effectiveness of your organization's E&C program as a business enabler (e.g., provides advice/counsel, enables better decision-making):

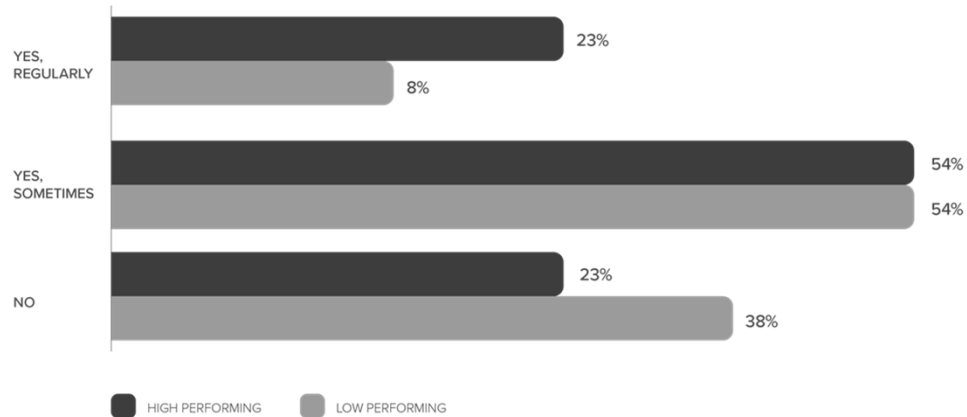


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In the past year, did your organization's consideration of E&C risks or factors substantially modify or lead to the abandonment of a business initiative?



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.



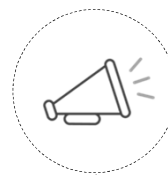
Employees report misdeeds 71% of the time when they believe top management is committed to ethics.



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.

Key Takeaways:

COMPLIANCE is an OUTCOME of CULTURE

1. Reach across the aisle: collaborate cross-functionally
2. Build 'Drip' campaigns: increase cadence of communications 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

