

TEN QUALITIES THAT CEO'S AND DIRECTORS WANT IN AN ETHICS OFFICER

1. Passion for the role and a commitment to the culture. Effective ethics officers need to be passionate about their role in the organization. Ethics officers who lack passion become passive compliance officers - good at reciting a litany of rules and eager to punish wrong-doers, but with no real interest in creating and nurturing a values-based culture. They are the bane of every performance-based corporate culture, the proverbial traffic policeman. The best ethics officers realize that a values-based culture is the true driver of any compliance program and to be effective, they must be a catalyst for supporting, enhancing and strengthening the organization's culture. A well functioning values-based culture will ultimately be the bed rock of ethics and compliance. Creating and nurturing such a culture requires passion and commitment. A true values-based culture will be hospitable to individuals who share the company's core values and inhospitable to people who do not.
2. Strategic vision and a holistic approach. Effective ethics officers, like all good managers, need to have a strategic vision for the organization's ethics and compliance program. Part of this vision needs to be a holistic understanding of how ethics and compliance fits with, supports and operates along side other parts of the business. For example, ethics and compliance need to be embedded in the company's orientation program for new hires, embedded in how employees are evaluated and rewarded, embedded in internal and external communication and ultimately a permanent part of the corporation's identity. A holistic and strategic approach avoids the danger of a "silo" approach to ethics and compliance. It means understanding all the levers - values, training, communication, monitoring, enforcement - and knowing where to devote energy and capital resources to make the biggest impact.
3. Business partnering. An effective ethics officer is a good business partner. This means understanding the business and understanding that ethics and compliance is one of the critical components to building a strong foundation on which the business can grow and thrive. The death knell for any ethics and compliance program is to be perceived as an impediment to the success of the organization. It also means having empathy for business leaders who must constantly make difficult decisions in an intensely competitive commercial environment. Finally, it means articulating to business partners how an effective ethics and compliance program can help make a business successful. The alignment of ethics and compliance objectives with business goals is a hallmark of all great ethics programs.
4. A keen eye for cost. There are no free lunches. Every ethics and compliance program must operate within a budget. Being disciplined about costs and resources is one of the traits that endears ethics and compliance executives with their counterparts in other areas of the business. Often times, ethics officers, like other executives, must fight for their budgets and for a share of scarce capital resources. Ethics officers who have a proven track record as wise and disciplined spenders of the corporation's cash are able to build credibility that enables them to hold their own in the budget battles that are a routine part of corporate life.
5. Continuous improvement and stellar organization. Too often ethics and compliance programs are launched with great fanfare, only to die a long, slow death. Ethics and compliance programs

are a key component of a company's culture and must be constantly addressed through a deep commitment to continuous improvement. To this end, good ethics officers never let the organization become complacent and begin to think that they have "solved" the compliance program and can go on to some other important corporate initiative. Continuous improvement means that goals are set and met and new goals are set. In addition, a great ethics program requires stellar organizational skills. Managing all the pieces and creating a program that can be "audited" is essential. When a problem arises at one of the company's outposts, a good ethics officer wants to be able to show the board and regulators the records from the compliance training that was done at the location last year, along with list of attendees.

6. Avoid the head office plague. We've all heard the old familiar phrase, "I'm from corporate and I'm here to help." Good ethics officers understand that an effective program needs to be built from the ground up. Building a large corporate staff function can create resentment in the organization. It also can lead others to assume that ethics and compliance is someone else's responsibility. An effective, world-class ethics function is embedded throughout an organization and everyone in the organization should view themselves as part of the ethics and compliance team.

7. Understand risk. Good ethics officers have a great grasp and understanding of risk. The hallmark of a world class ethics program is one that can monitor and address an ever changing array of risks. To understand risk, a good ethics officer needs to understand how the business is conducted at the point of contact between customers and suppliers and other constituencies that interact with the corporation. Understanding the dynamic at the "point of attack" means understanding the pressures and pitfalls that employees are likely to confront. This in turn drives the strategies for addressing these risks.

8. Tone at the top. Quite simply, nothing is more important to the culture and ethics of an organization. Great tone at the top and mediocre compliance practices will trump mediocre tone at the top and great compliance practices every time. Setting the tone at the top and making sure that every level of leadership in the organization - the plant manager, the regional vice president, the senior vice president for a line of business all the way up to the senior management team - understands the critical importance of their own visible committed leadership is job one for all ethics officers. Visible committed leadership also means convincing business leaders to commit the resources in terms of people and money to drive a compliance program through the organization, as opposed to creating a bloated bureaucracy at the corporate head office.

9. Walking the talk. All seasoned ethics officers know that sooner or later a day of reckoning will arrive when the organization will have to make tough decisions when employees fail to live up to the corporation's values. If tone at the top is the single most important quality in establishing a values-based compliant culture, then "walking the talk" by demonstrating that the company's leaders mean what they say is a close second. Nothing undermines an organization and its ethics and compliance program faster than a sense that it's all "talk." Walking the talk means sending the message that we mean what we say. Successful ethics officers know these are the hardest battles they will face, but winning them is critical to the success of their mission.

10. Excellent marketing skills. The best ethics officers are great communicators and marketers. They understand that the company's culture and the ethics and compliance program that supports

it, is like a key corporate brand. It needs to be supported by innovative marketing programs. Keeping values and expectations top of mind for the company's employees means that the message has to be delivered constantly through different mediums. Continual reinforcement is very important to embedding the company's values in the organization. Good ethics officers are adept at seizing "marketing" opportunities and making the most of them.

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