SCCE Compliance & Ethics Institute
Strengthening Culture Through Innovative Training
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Why are you here?

"Every change of mind is first of all a change of heart."

The 14th Dalai Lama
Why are you here?

1. Nothing else to do in Las Vegas on a Sunday afternoon
2. Want to make our training more effective
3. Want to be better at integrating our values into training
4. Something else

What is your biggest challenge in upgrading training?

1. Leaders don’t see the need
2. My boss/others in compliance don’t see the need
3. We don’t have the budget for it
4. We don’t have the people resources to do it
Agenda

1. Introduction, problem, and solution
2. A winning, sustainable culture
3. The Greater Good — MMC’s Code of Conduct & communication strategy
4. Assessing and improving culture
5. Cultural challenges: Shared commitment & Speaking up
6. Cultural impact
7. Lessons learned, discussion and application
Steve Priest/III (and previously ELG)

- Founded ELG in 1993 (now part of Navex Global), III in 2013
  - Consulted in 51 countries with over 25% of the Fortune 200
  - Trained forty Boards of Directors and senior leadership teams
  - Served as adviser for CEOs, GCs, and Compliance Officers
  - Been relied upon by the Securities and Exchange Commission, the
    Department of Justice, the Department of Defense (US) and Ministry of
    Defense (UK) and other government agencies to objectively assess
    organizational culture and compliance programs

Saira Jesrai

- Senior Compliance Officer, Marsh & McLennan Companies
  - Responsible for overseeing the compliance policies and training for the
    Company’s 54,000 colleagues located in more than 100 countries.
  - Created a ground-breaking approach to communicating the importance of
    ethical behavior with a compelling documentary film, Faces of Marsh &
    McLennan Companies, which has won multiple awards, including two at the
    Los Angeles Reel film festival.
  - Led the development of an innovative Risk & Compliance training series
    called Choose Your Path. The training series has won nine awards from
    distinguished organizations.
Marsh & McLennan Companies

A global professional services firm offering clients advice and solutions in the areas of risk, strategy, and human capital

MARSH a global leader in insurance broking and risk management.

GUY CARPENTER a global leader in insurance broking and risk management.

MERCER a global leader in talent, health, retirement, and investment consulting.

OLIVER WYMAN a global leader in management consulting.

54,000 Colleagues

$12 billion annual revenue

Clients in over 100 countries

22 years of learning

1. Compliance fails without ethics
   - "Doing the right thing" motivates and optimizes behavior

2. Culture wins
   - When a rule or a policy or a Code conflicts with an organization’s culture, the culture prevails most of the time.

3. Winning, sustainable cultures have integrity at their core
   - And execute it integrated with everything else

“Definition of culture:
A pattern of shared basic assumptions about how to adapt, survive and thrive.”

- Steve Priest
Compliance: Tried and Failed

Safety
Profitability
Integrity

A WINNING, SUSTAINABLE CULTURE
One culture, many cultures

- No such thing as an "ethics culture" or "safety culture" or "customer service culture." One culture, many manifestations.

- Complex organizations have complex cultures—micro cultures by country, site, line of business, profession, legacy company.

- "Manage the culture or it manages you."
  --Ed Schein

A healthy culture improves performance

- Profit

- Safety

- Integrity
A healthy culture is one where

Doing the right thing is the expected practice every day, and actions that depart from the norms – such as retaliation – stands out and is addressed

A culture of doing the right thing

Goal for E&C programs:

Strengthen the culture so that it stands for integrity — inside and outside the organization.
Key attributes of a healthy culture

- Clear standards
- Values in action
- Accountability
- Open communications
- Commitment

Commitment

**Organizational attributes**
- Mission and values reflect true commitment to doing the right thing
- Balanced approach:
  - Performance AND Principles
  - Short term AND Long term
  - Shareholders AND Customers AND Employees
  - Compliance AND Innovation

**Leadership attributes**
- Personal and professional commitment to mission, values, Code, doing the right thing
- Personal integrity and respect
- Authenticity
Clear standards

**Organizational attributes**
- Clear, consistent formal communications
  - Mission, vision, values
  - Code of Conduct
  - Policies
  - Communications and Training
- Structures and incentives to align management communications

**Leadership attributes**
- Talk the Talk—formal and informal, MBWA
- Consistent, clear, honest messages on
  - Personal commitment and the organization's
  - Expectations on performance and ethics/compliance
  - Business plans and performance
  - Evaluation of employee

Values in action

**Organizational attributes**
- Respect
- Fair process
- Compassion
- Courage
- No conflicts of interest

**Leadership attributes**
- Walk the Talk
Accountability

**Organizational attributes**
- Performance and principles built into HR systems
- Fair processes
- Consistent disciplinary approach for all

**Leadership attributes**
- Hold others and themselves accountable
- Vigilance
- Responsiveness

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Open communications

**Organizational attributes**
- Core practice up, across and down
- Anti-retaliation policies effective
- Alternative reporting channels available and trusted

**Leadership attributes**
- Be accessible
- Listen with an open mind
- Do not retaliate
- Respond appropriately
A culture of integrity is one where

- Company leadership articulates and embraces responsible conduct.
- Employees know the standards and rules that apply to them in their roles.
- Employees believe that their managers—and senior management—are committed to integrity.
- Employees raise concerns about misconduct because they do not fear retaliation and they believe their concerns will be addressed.
- Employees are held accountable to act consistently with the code and standards, and are disciplined consistently if they fail to do so.
- Suppliers and others who expose the company to risk are held accountable to high ethical standards.
- *Doing the right thing is the expected practice every day, and unethical or non-compliant behavior stands out and is called out.*
Context for the New Code

- Findings from focus groups:
  - "Old" code was US-centric, legalistic and not so user-friendly
  - Only available online
  - Greater manager involvement in communication of Code
- Strong operating company brands and a new parent company brand
- New risks; new compliance requirements

Developing *The Greater Good* from the ground up

- Engaged the right resources
  - 200+ individuals drawn from all Operating Companies, geographies, key functions
  - Governance: Steering Committee and Code Working Group
  - Ethical Leadership Group, a global leader in shaping relevant codes of conduct, to partner in research and benchmarking

- Collected the right data
  - Benchmarked current code against best practices
  - Conducted colleague focus groups in London, NYC and Singapore

- Drafted & designed the right Code for MMC
  - Solicited input from Code Working Group, Compliance Officers, Subject Matter Experts, Executive Officers and Key Functions
  - Validated through colleague focus groups in Australia, India, Brazil, Mexico, France, Germany, Canada, and US (Chicago and Hoboken)
  - Reviewed by global legal and compliance teams
The Greater Good

Organized around trust

A clear statement of our shared commitment to integrity

Addresses key cultural drivers of risk

Board and senior management involvement

Senior Management Commitment

- receive hard copy Code
- certify to The Greater Good
- see the film, Faces of Marsh & McLennan Companies

100% · attend manager-led training

80%

Board
- Approved Code
- Received Code training
- Risk Committee: oversight, including regular status reports on training goals
Innovative code communication strategy

- Global Town Hall
- All-colleague email
- Posters
- Hard copy distribution languages
- Online version
- Film premiere
- Leader's Toolkit
- Certification: Crack the Code!

FACES OF MARSH & McLennan Companies

- Risk management as a strategic imperative
- The importance of the work we do
- Individual responsibility for doing it right
- Importance of raising concerns
- Code of Conduct

Weaving the company together...reducing our risk
How Do You Know if Your Culture Is Ethical?

**Observable negative actions**
- Arrests, cases turned over for prosecution
- Terminations for non-compliance and unethical actions

**Reports of unethical actions**
- Employee complaints to EEO, other regulatory bodies
- Customer and supplier complaints
- Employee concerns to Ethics Lines, Alert Lines
- Employee concerns to other channels
- Reports from Audit, Security, HR
How Do You Know if Your Culture Is Ethical?

**Embedded HR and Audit processes**
- 360 degree evaluations
- Exit interviews
- Unwanted attrition
- Audits

**Employee perceptions**
- Surveys
- Focus groups
- Interviews
- Internet/intranet message boards, discussion groups
- Extending above to clients and suppliers

Assessment Cautionary Notes

- Use for assessing businesses / business leaders, but not right away. Build trust first.
- Do not rely on any one process/measure. Good assessments are mosaics.
- Be careful with surveys—employees tell us that they often do not respond with the whole truth.
- Remember Albert Einstein:

  "Not everything that can be counted counts, and not everything that counts can be counted."
What is your weakest link?

1. Lack of commitment to doing right thing, balanced approach
2. Failure to "talk the talk"—employees don’t understand commitment, standards
3. Failure to "walk the talk"—lack of respect, conflicts of interest
4. Little accountability
5. Culture of blame rather than listen and learn—employees fear retaliation

Jack Welch’s Three Tools

- Police (Audit and, to an extent, Compliance and HR)
- Schools (Training, OD, HR)
- Media (Corporate Communications and many others)
Shaping a Culture

**Big change requires partners**
- Senior management
- Human Resources
- Legal
- Finance/Audit
- Communications

**E&C can nudge the culture**
- Training emphasizing key cultural attributes
- Marketing/communications/Code
- Conspire with HR
  - Performance appraisal
  - Coaching
  - Disciplinary processes

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**CULTURAL CHALLENGES: SHARED COMMITMENT**
The Next Chapter in *The Greater Good* Journey

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*The Greater Good — Choose Your Path*
Innovative Series Delivered in 16 Languages

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<tr>
<th>Learning Elements</th>
<th>Dramatizing Seven Risk Areas</th>
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<td>1 A story that illustrates the key risk area</td>
<td>1. Anti-corruption</td>
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<td>2 Presentation through video and text</td>
<td>2. Confidentiality</td>
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<td>3 Interactive exercises</td>
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MARSH & MCELLANAN COMPANIES
Developing The Greater Good – Choose Your Path

1. Vision, Team & Strategy (6 Weeks)
   - Identify core project team & creative team drawn from all OpCos, geographies, key functions
   - Establish charter, plan & critical to success requirements
   - Develop training strategy (Why, What & How)
   - Identify topics to be covered in training module
   - Research training (benchmarking)
   - Decide on look and feel of training module

2. Research Stories (3 Weeks)
   - Meet with Subject Matter Expert (SME) to gather real-life stories
   - Identify key learning concepts and skills for learners to master after completing training module
   - Draft best case scenario
   - Share case scenario with creative team and refine

3. Development (8 Weeks)
   - Draft film treatment and interactive exercise based on chosen case scenario
   - Draft film script
   - Cast and shoot video
   - Draft storyboard for module with SME
   - Develop and review media treatments for module
   - Determine appropriate communications strategy for module

4. Test & Refine (9 Weeks)
   - Conduct focus group screenings of film in different geographic locations, refine video if necessary
   - Develop module with video (‘alpha’) and test with relevant colleagues
   - Refine ‘alpha’ based on testing feedback (‘beta’)
   - Obtain senior leadership sign-off and begin translations of module including subtitles

5. Launch (2 Weeks)
   - Develop CareerLink communications & training survey
   - Upload SCORM module into CareerLink, conduct final testing and approve for launch
   - Send all-colleague senior leader email announcing the module launch
   - Launch module
   - Monitor survey responses

CHOOSE YOUR PATH – “RAHUA CITY BLUES”
CULTURAL CHALLENGES: SPEAKING UP

Cultural Challenges: Speaking up
The Greater Good Cultural Impact:

Build trust
Do you measure the effectiveness of your training?

1. Yes, based on responses given during training (e.g. quizzes)
2. Yes, based on survey/evaluation at end of training
3. Yes, based on survey/evaluation weeks/months after training
4. Yes, based on other indicators (e.g. reports to help line)
5. Most or all of the above
6. No
Target your efforts

And their supervisors & managers