The Challenge

- It’s a complicated world
- Skewed Incentives
- Boards & Management don’t know what to do
- “We have good people”
- Effectiveness requires courage and hard work

1. Study Human Behavior

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<th>Ethics</th>
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<td>- Perception:</td>
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<td>- Reality</td>
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<td>- Cheating</td>
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<td>- Stealing</td>
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<td>- Reporting</td>
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<td>- Culture: the impact of authority and systems</td>
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2. Life-long Learning

- Study/work hard
- Observe successful people
- Read the newspaper
- View every challenge/mistake as a learning opportunity
- Solicit constructive feedback

3. Position Yourself for Success

- Who/What am I?
- Why am I here?
- The authority dilemma
- Leverage
- Don’t take yourself too seriously
- Share credit/hoard criticism

4. Problem Solve

- Solutions or obstacles?
- Understand the problem
- Keep it simple
- Hire people __________ and ______________!
5. Align Incentives

Problem: Incentives are skewed

Solution:
• Specific, measurable objectives
• Link to compensation
• Transparency
• Culture matters

Beware of the non-solution: _________________

6. Be Courageous

• Practice difficult/courageous conversations
• Listen carefully
• Think before you speak (send)
• Attack the problem, not the person

7. Be a Role Model

• Talk and walk the talk
• Accept responsibility
• Stay calm (particularly in a crisis)
• Admit mistakes – the two most disarming words in the English language are "______________"
**Resources**

Why It’s Hard to Be Good, Al Gini, Rutledge 2006

The Lucifer Effect: Understanding How Good People Turn Evil, Philip Zimbardo, Random House 2008


The Seven Signs of Ethical Collapse: How to Spot Moral Meltdowns in Companies . . . Before It’s Too Late, Marianne M. Jennings, J.D., St. Martin’s Press 2006

How to Pad Your Expense Report . . . And Get Away with It, Employee X, Easy Money Press 2005


**2013 Federal Sentencing Guidelines, Organizations.**

Chapter 8 – Part B. Remedying Harm from Criminal Conduct, and Effective Compliance And Ethics Programs.


Building a Career in Compliance and Ethics, Joseph E. Murphy, Joshua H. Leet, Society of Corporate Compliance and Ethics, 2007.