



Ethics & Compliance Leadership – Strategies for Effectiveness

SCCE REGIONAL CONFERENCE | NYC
MARCH 13, 2020

Debra Sabatini Hennelly | Founder & President | Resiliti

1

Session Objectives

Discuss **leadership skills, strategies and tactics** to help you:

- Implement an effective Ethics & Compliance (E&C) program
- Influence decisions and behavior to drive sustainable change
- Embed your program in operations and culture
- Be a strategic partner and create value for the broader organization



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

2

2

Agenda

- **Why** You Lead
 - *The Power of Leadership Skills and Strategies for Driving an Effective E&C Program*
- **What** You Lead
 - *The Goals and Challenges of Being an Effective E&C Leader and Change Agent*
- **How** You Lead
 - *Increasing Your Effectiveness and Your Value to the Broader Organization*



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

3

3

I. **Why** You Lead

The Power of Leadership Skills & Strategies for Driving an Effective E&C Program



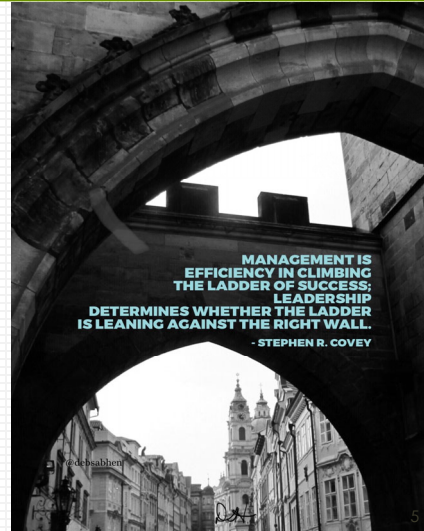
© 2010-2020 Resiliti LLC. All Rights Reserved.

4

4

Leadership, Not Just Management

- Management is about tactics and executing; Leadership is about vision and influencing.
- It's not enough to be good at managing our E&C Program...
- We have to be able to lead and inspire change, in order to embed it in operations and culture for the long-term.



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

5

The Value of an “Effective” Ethics & Compliance Program

Protecting the Organization

- Reputation and brand
- Legal and regulatory requirements
- Director and officer personal liability
- Other costs

Enhancing Organizational Performance

- Business continuity
- Employee engagement and productivity
- Customer and investor confidence
- Attracting/retaining high-quality talent
- Favorable credit ratings and insurance premiums

“Driving Resilience”

The “Why” of the Program



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

6

6

Why Leadership?

By improving your leadership capabilities, you will:

- Increase your ability—regardless of your level and authority—to drive necessary changes in organizational culture
- Expand your capacity to engage and influence colleagues—whether they are peers, direct reports or senior leaders—in order to shape outcomes
- Enhance the value you bring to your team and to the organization, by optimizing resources, mitigating risks and identifying opportunities

... all of which are critical to implementing a more effective and sustainable E&C Program



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

7

7

Influence

“The true measure of leadership is influence – nothing more, nothing less.”

John C Maxwell, *The 360° Leader*
Developing Your Influence from Anywhere in the Organization

Source: Maxwell, John, *The 360° Leader*, Nelson Business, 2005

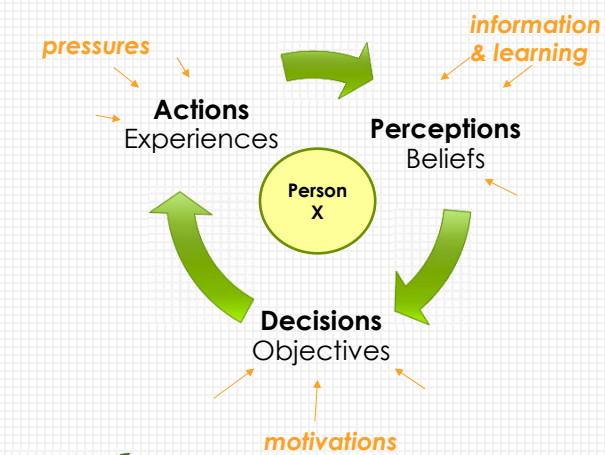


Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

8

8

Influencing Change in Operations and Culture



External Influences drive change:

X's **Actions** are driven by her **Decisions**, which are driven by her **Perceptions**...

- But external influences (teachings, motivations, pressures, etc.) can drive changes in her perceptions;
- Changing her perceptions changes her decisions, which change her actions;
- The results of her actions and experiences inform her perceptions (strengthening or challenging them)

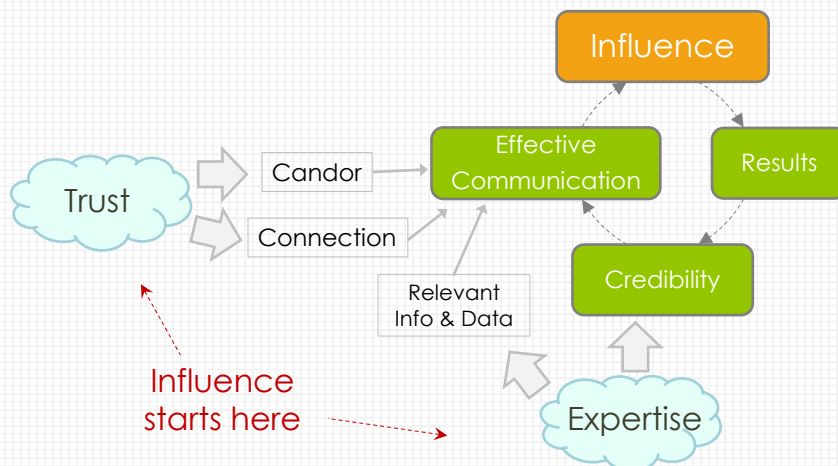


Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

9

9

Building Blocks for Influence



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

10

10

POLLING QUESTION #1

How would you describe your level of influence in driving change in operations and culture?

- A. I am confident in my ability to influence employees to change their behavior
- B. I am confident in my ability to influence senior-level decision-makers to change their behavior
- C. A and B
- D. I am new to driving change, but I'm looking forward to improving my influence
- E. I'm not responsible for driving change



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

11

11

On Leading Change

“Leaders - especially those who are change agents - can only succeed when they have a reservoir of goodwill that allows them to convince followers that their fates are correlated.”

Warren Bennis

Advisory Board Chair, Harvard Center for Public Leadership



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

12

12

You Are a Change Agent...

- Who are you leading?
- Where should they follow you?
- Why should they follow you?
- How will you lead them?
- How are your fates correlated?
- Where will your "reservoir of goodwill" come from?

We will come back to these questions later...

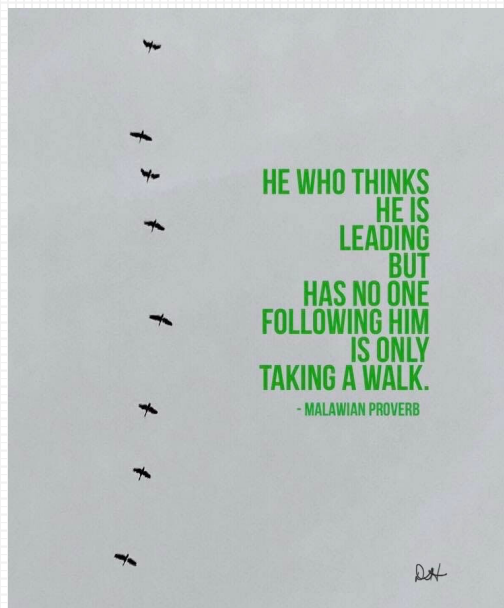


Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

13

13

Leadership is about
influence... and being
aware of perceptions



© 2019 Resiliti LLC. All Rights Reserved.

14

14

LEADERSHIP KNOWLEDGE

Myths, Traps and Truths



© 2010-2020 Resiliti LLC. All Rights Reserved.

15

15

Leadership Myths and Traps

- Position Myth
 - *I can't lead if I'm not at the top*
- Destination Myth
 - *When I get to the top, then I'll learn to lead; then I'll be in control*
- Influence Myth
 - *If I were at the top, then people would follow me*
- Personality Myth
 - *If I were an extrovert, then people would listen to me*

Source: Maxwell, John, *The 360 Leader*, Nelson Business, 2005



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

16

16

Different Ways to Lead

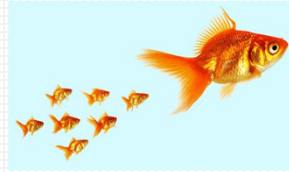
Small "I" leadership



Day-to-Day
Leading/Influencing Self
Living by Example

Informal

Big "L" Leadership



+

Goal-Based
Leading/Influencing Others
Leading by Example

Formal



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

17

17

Informal Leadership

Make decisions and take actions that have positive, productive outcomes

- Communicating effectively and listening
- Reliability and follow-through
- Accountability and humility
- Continual learning, curiosity and open-mindedness
- Doing the right thing, even when it's hard
- Presence and attention



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

18

18

Formal Leadership

Mobilize yourself and others in pursuit of worthwhile, strategic goals

- Envisioning, initiating and driving transformation
- Pragmatic analysis of risks and obstacles
- Connecting the dots from initiatives to strategic goals
- Empowering/delegating to a capable team
- Inspiring inclusion and candor to drive improvement and innovation
- Keeping the big-picture, long-term perspective



Leadership and Influence

Two Components of Leadership:

- Positional Influence
 - People follow you because they are required to
- Personal Influence
 - People grow to follow you because they like and trust:
 - You
 - Who you are and what you represent
 - What you have done for them
 - What you have done for the organization

Lead from Wherever You Are

- Lead up, across and down
- Formally and informally...



21

*360° Leader: "Leading Up"

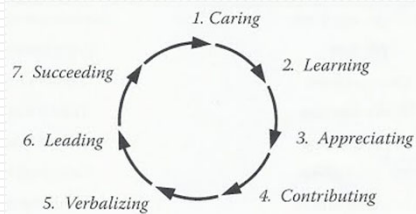
- Lead yourself exceptionally well
 - Do more than manage—look ahead and take the lead
 - Investigate/invest in relational chemistry (individual/team strengths)
 - Be better tomorrow than you are today
- Lighten a leader's load
 - Become a go-to player willing to do what others won't
 - Be prepared whenever you take your leader's time
 - Bring the data that will matter to them (analyzed; in human-speak)
 - Sense when to push and when to back off

* Source: Maxwell, John, *The 360° Leader*, Nelson Business, 2005

22

*360° Leader: Leading Across

- Understand, practice and complete: “Leadership Loop”
- Put “completing” fellow leaders ahead of “competing” with them
- Let the best idea win
- Expand your circle of acquaintances
- Be a friend
 - Develop mutual trust + avoid office politics
- Don't pretend you're perfect
 - Ask for help + own mistakes



23

*360° Leader: Leading Down

- Model the behavior you desire
- Walk slowly through the halls: connect
- See everyone as a "10"
- Develop each team member as a person
- Place people in their “strength zone”
- Transfer the vision
- Reward for results

24

Discussion: Leadership Observations

Think about the leaders who have most engaged and influenced you?
(with whom you have worked or crossed paths)

- Were they leading down, across or up?
- Why did (or do) you and others follow them?
- Was their influence Positional or Personal (or both)?

Please describe them in a sentence or a few words



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

25

25

Some Essential Attributes and Capabilities of Leaders

Attributes

Resilience...

- Know **WHY** they're the ones to do it; and so they stay with it, even when it's hard

Ownership...

- See **WHAT** needs to be done and step up to do it

Resourcefulness...

- Know **HOW** to do it and how to work with others to get it done

Capabilities

- Emotional Intelligence
- Ethical Decision-making
- Grit

- Risk-Aware Decision-making
- Critical Thinking
- Self-Direction

- Collaboration
- Creativity
- Communication

Others...?



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

26

26

Organizational Knowledge

Mission, Values, Objectives and Culture



© 2010-2020 Resiliti LLC. All Rights Reserved.

27

27

Organizational Knowledge

Become familiar with drivers of:

- **Senior management decision-making processes** on a daily, monthly, quarterly, annual and longer-term basis
- **Decision-making in operations and functional unit management:** R&D, HR, Regulatory, Manufacturing, Finance, Marketing, Sales, etc.
- **Budget and Planning process:** How objectives and budgets are set for the year; how they are measured and managed against “actuals;” and the process for emergency exceptions



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

28

28

How Do You Deliver Value to the Organization?

Assess what it takes to get in the door, on the agenda, and invited to the table:

- **Understand** the organizational and the individual functional unit Objectives as well as the financial goals, indicators, and processes
- **Link** E&C Program objectives to the organization's Mission, Values, Strategic Objectives (and the bottom line)
- **Speak** in ways and at times that the organization can “hear” you – in sync with the planning cycle and budget processes



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

29

29

Tactics to Gain Credibility and Influence

#1 - Be a well-informed resource with relevant, understandable solutions

- Deliver on three dimensions: quality, time and format
- Over-deliver by connecting E&C to strategy and results
 - Demonstrate understanding of organizational objectives (so they can “hear” you)
 - Include recommendations or alternative courses of action
- Be proactive
 - Provide E&C analysis well in advance of decisions
 - Take advantage of teachable moments
- Be concise
 - Reports: One page or slide, if possible; synthesize the key points in “human-speak”
 - Meetings: Always send an agenda in advance; make your “ask” clear; end early



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

30

30

Tactics to Gain Credibility and Influence (cont'd)

#2 - Be known for your candor, courage and reliability

- Deliver facts, not anecdotes (“Evidence supports...” vs. “I think/heard...”)
- Avoid surprises
 - Communicate any major new development immediately, especially bad news
 - Prepare them with up-to-date analysis so that they can respond intelligently
- Speak up (respectfully) when they get it wrong
 - Do it with emotional intelligence; being right isn't your only objective...
 - Provide alternatives when you flag an issue; and Remember #1...
- Keep your promises
 - Always deliver on your commitments...so don't over-commit
 - If you can't deliver on time, own that and reframe expectations



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

31

31

Prepare Your “Elevator Pitch”

Apply your leadership and organizational knowledge to draft a concise, 45-second (maximum 1 minute) Elevator Pitch

- WHAT: Your high-priority issue(s) or initiative(s)
- WHY: Will they care? Expected impact/obstacle relevant to their Strategic Objective...
- HOW: Your solution to avoid or mitigate the obstacle or deliver a positive impact

If you need a decision or action, make your request clear and concise; and then follow up



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

32

32

II. What You Lead

The Goals and Challenges Of Being an Effective E&C Leader and Change Agent



© 2010-2020 Resiliti LLC. All Rights Reserved.

33

33

Goals of the Compliance & Ethics Function

- Implement an effective E&C Program—**relevant and right-sized** for the organization, its footprint and its risk profile
- **Gather, assess and address** risk-related information from many sources (helpline, audits, investigations, surveys, certifications, due diligence, conversations, etc.)
- Ensure that the E&C Program is **accessible** to employees and that its **value** to the organization is clear
- **Optimize resources** of the E&C function (less reactive, more proactive)
- **Inform and engage** with senior management and the Board regularly
- **Integrate** E&C considerations and ownership into operations and culture

Listen, adjust, communicate, influence... listen, adjust, communicate, influence...



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

34

34

An “Effective” Ethics & Compliance Program is...

... a comprehensive **system** of policies, processes and procedures
designed to **prevent**
– or **detect and correct** –
violations of law (or company policy)...

...and supported by a **Culture of Integrity**.



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

35

35

An “Effective” Ethics & Compliance Program* (a Practical Translation)

- Leaders “promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law”
- Program is overseen by engaged, active leadership (including the Board) and provided with sufficient authority and resources
- Risk assessment drives risk-based policies and procedures
- “Effective” training and communication
- “Mechanism” for employees to raise concerns and ask questions without fear of retaliation for doing so**
- Monitoring, auditing and investigations
- Consistent corrective and preventive action, including appropriate disciplinary actions and incentives
- Commitment to “continual improvement”

* Paraphrased from US Federal Sentencing Guidelines for Organizations 18 USC §8B2.1

** Anonymous option required for US public companies, recommended for private companies

The “What”
of the Program

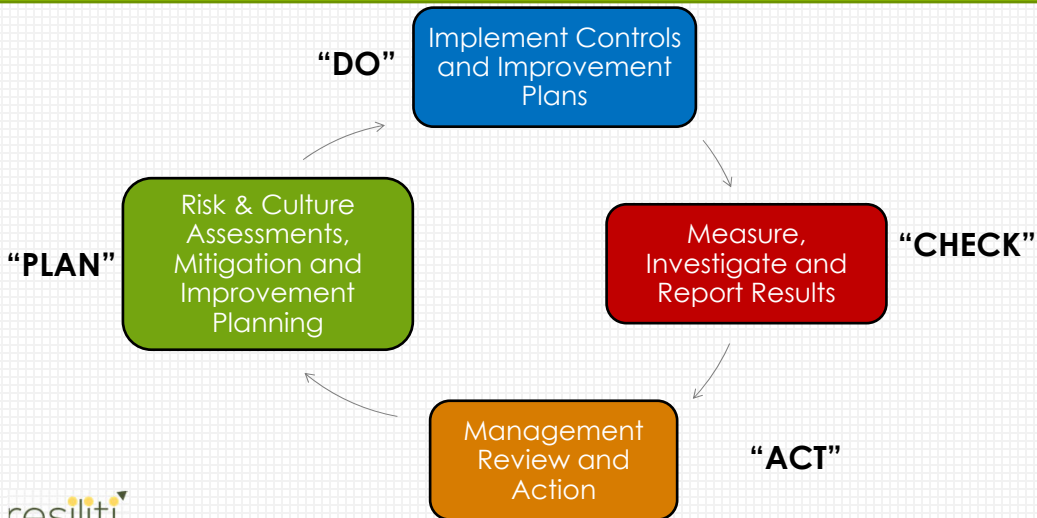


Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

36

36

Continual Improvement Cycle: Drives Effectiveness



37

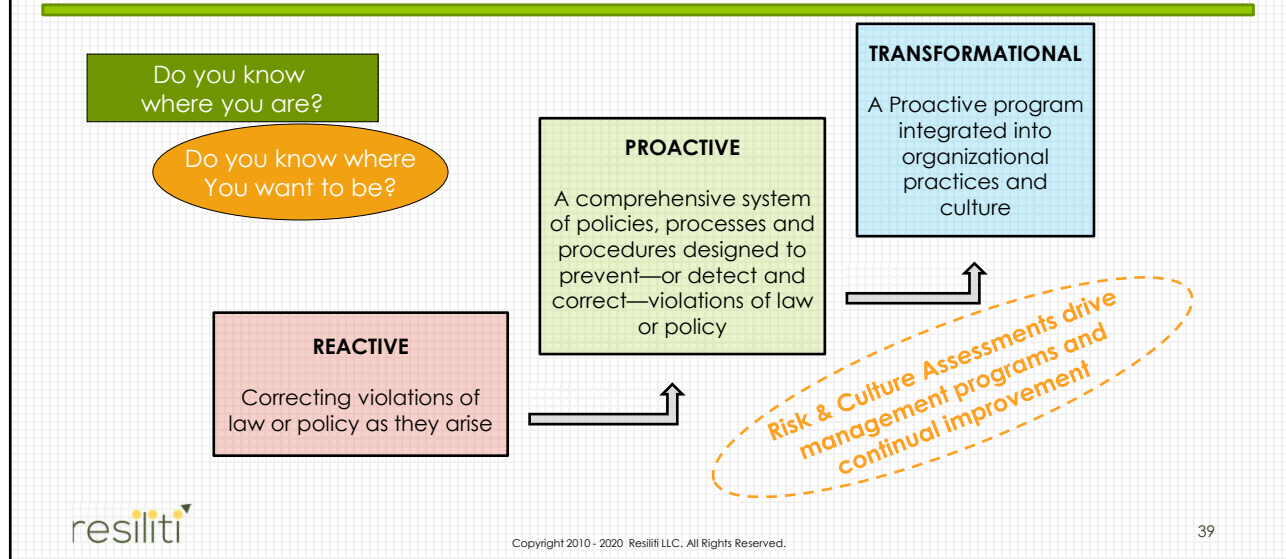
The Ethics & Compliance Program as a Management system



The
“How”
of the
Program

38

Driving Program Maturity



39

POLLING QUESTION #2

What is the biggest challenge in driving your E&C Program's Maturity?

- A. Lacking a strong senior-level champion
- B. Getting more resources (budget and/or staff)
- C. Building organization-wide visibility
- D. Connecting to the Organization's objectives
- E. Something else
- F. No challenges; smooth sailing

40

POLLING QUESTION #3

Who “owns” your E&C Program?

- A. The General Counsel (“GC”), who is also the Chief Ethics/ Compliance Officer (“CECO”)
- B. The CECO (or some other title), who reports to the GC
- C. The CECO (or some other title), who reports to the CFO
- D. The CECO (who isn't the GC), who reports to the CEO or Board
- E. Someone else
- F. I'm not sure



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

41

41

Wearing Two Hats

Challenge: When the GC (or another in-house counsel) is also the CECO (or is responsible for the day-to-day oversight of the E&C Program)

- Legal advice vs. management advice
 - Compliance with laws and policies vs. consistent with Values
 - Sometimes doing what is “right” requires going beyond doing what is lawful
 - Privilege issues in investigations
- **Be clear which hat you're wearing in each circumstance**
 - With yourself, your clients, your colleagues, the CEO and Board



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

42

42

Cross-Functional Collaboration

Challenges: Who is “responsible” for coordinating the teamwork? Who “owns” the outcome? Who should be in the room vs. in the loop?

Clarifying Roles:

- In advance (pre-nuptial), with senior leadership involvement, if needed
- **Responsibility Matrix or “RACI” Chart** is a useful tool to lay out, on a task (or program) basis, the people or functions that are:
 - **Responsible** primarily for performing the task/program (one or more individuals);
 - **Accountable** for final decisions and completion/delivery of the task/program (a single point of accountability);
 - **Consulted** for information, expertise or feedback regarding the task/program; and
 - **Informed** or kept up-to-date on progress in completing the task



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

43

43

III. How You Lead

INCREASING YOUR VALUE AS AN EFFECTIVE E&C LEADER

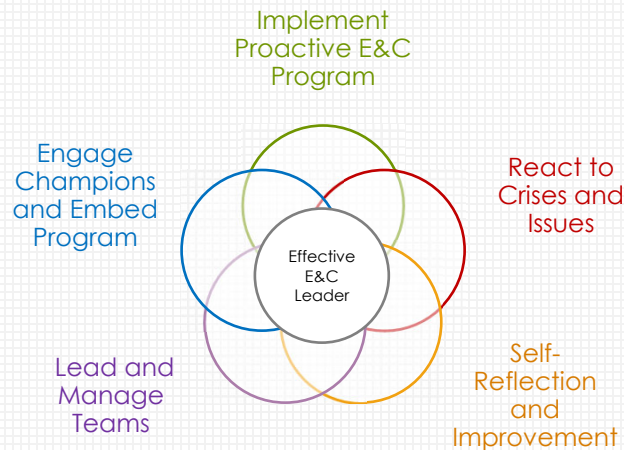


© 2010-2020 Resiliti LLC. All Rights Reserved.

44

44

Focus Areas of Effectiveness as an E&C Leader



45

Skills and Attributes Through Program Phases

Reactive

Firefighter, Analyzer, Problem-Solver...

- Subject Matter Expertise
- Quick-Thinking
- Decisive
- Persuasive
- Improvise
- Crisis Management
- Judgment in Action

Proactive

Process Expert, Team Builder, Communicator...

- Planner
- Implementer
- Persuasive
- Build Trust
- Collaboration
- System/Program Expert

Transformational

Strategic Partner, Visionary, Trusted Advisor...

- Imagination
- Strategic Vision
- Persuasive
- Build Trust
- Collaboration
- Empowering

...but Leadership and Influence are necessary for effectiveness in all Phases

46

Self-Reflection and Continual Improvement

- Personal Development
 - Well-being, Mindfulness and Mindset
 - Strengths and Attributes
 - Emotional Intelligence
 - "First Things First" Focus
- Professional Development
 - Subject Matter Expertise
 - Skills and Awareness
 - Organizational Knowledge
 - Emotional Intelligence
 - Leadership Style

Where I've been

Where I am

Where I want to be



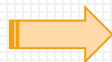
Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

47

47

Insights to Explore, Reflect and Improve

- Who you are at your best
- What you want to accomplish
- How to lead in ways that matter



- Drive effectiveness of the E&C Program
- Lead direct and indirect teams
- Engage champions across the organization
- Integrate into operations and culture
- Enhance personal success and satisfaction



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

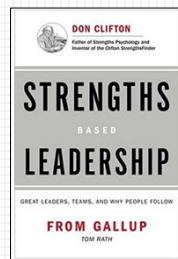
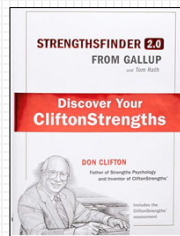
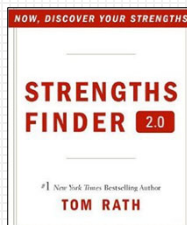
48

48

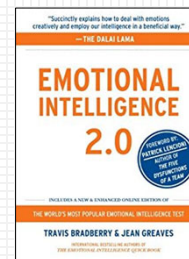
Self-Awareness and Development

- Choose from various self-assessment tools (some examples below)
- Explore who you are at your best
- Be proactive, continually learning and improving

Strengths



Emotional Intelligence (EQ)



Copyright 2010 - 2020 Resilifi LLC. All Rights Reserved.

49

49

Strengths

- Talent
 - Potential
 - Innate, recurring patterns of thought, feeling or behavior
- Investment
 - Development
 - Knowledge + Skills + Practice
- Invest in Talents, they become Strengths
 - Strengths can be enjoyably and productively applied to foster engagement, effectiveness and drive results



Copyright 2010 - 2020 Resilifi LLC. All Rights Reserved.

50

50

Leadership "Domains" and Strengths "Themes"

Strategic Thinking	Executing	Relationship Building	Influencing
Analytical	Achiever	Adaptability	Activator
Context	Arranger	Developer	Command
Futuristic	Belter	Connectedness	Communication
Ideation	Consistency	Empathy	Competition
Input	Deliberative	Harmony	Maximizer
Intuition	Discipline	Includer	Self-Assurance
Learner	Focus	Individualization	Significance
Strategic	Responsibility	Positivity	Woo
	Restorative	Relator	



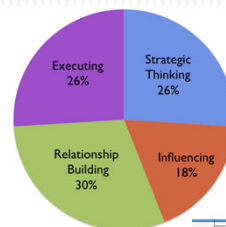
The StrengthsFinder® Theme names are trademarks of The Gallup Organization
Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

51

51

Maximizing Team Strengths

- Share your Strengths with colleagues and become familiar with theirs
- Prepare for conversations
 - Consider your/their wiring
 - Assess their preferred approach
 - Take action to maintain a rational mindset
- Align goals and objectives across a team with more awareness
- Partner with a colleague who has a Strength you need for a task




Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

52

52

Emotional Intelligence/EQ

- The capacity to be aware of, manage and express one's emotions and actions
- The capacity to be sensitive to and handle interpersonal relationships effectively and empathetically
- A set of skills that can be learned and practiced to expand capacity

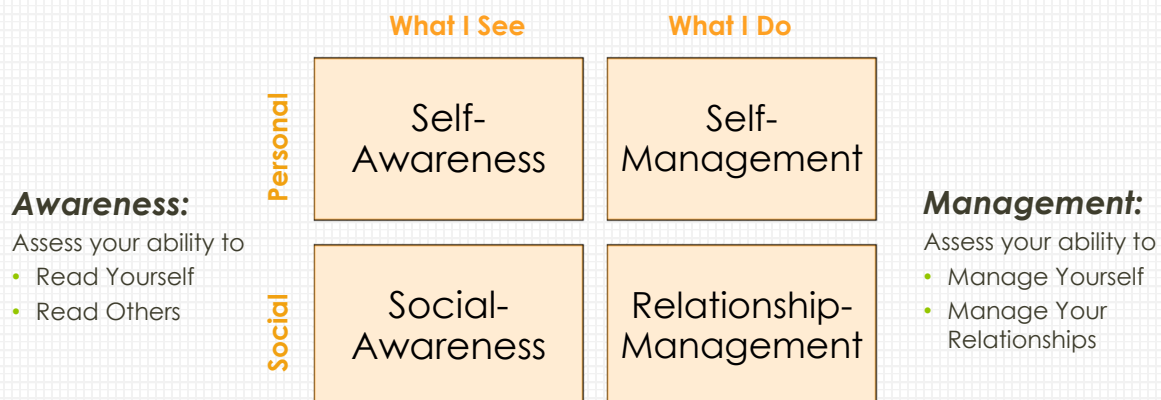


Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

53

53

EQ Matrix



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

54

54

Benefits of High EQ*

- Career Success
- Entrepreneurial Potential
- Leadership Talent
- Health
- Relationships
- Humor
- Happiness

90% of high-level performers are **high** in EQ

80% of low-level performers are **low** in EQ

* It matters in every job



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

55

55

Self-Reflection

- Am I focused on what's essential?
- Do I have the skills, strengths, strategies and tactics I need?
- Am I approaching people and projects with the awareness I need to achieve my objectives?
- Am I speaking in ways and at times when they can hear me?
- What are the potential obstacles to influencing change?

“Continue, Start, Stop”



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

56

56

Some Resources...

- 7 Habits of Highly Effective People (Stephen R. Covey)
- 360° Leader (John Maxwell)
- *Daring Greatly* (Brené Brown); also *Dare to Lead*
- *Firms of Endearment* (Sisodia); also *Conscious Capitalism* (with Mackey)
- Flourish (Martin Seligman)
- *Five Dysfunctions of a Team* (Patrick Lencioni)
- Give and Take (Adam Grant)
- Go-Giver Influencer (Bob Burg, John David Mann)
- *Good to Great* (Jim Collins)
- *The Speed of Trust* (Stephen M.R. Covey)
- *Leading Change* (John Kotter)
- *Primal Leadership* (Daniel Goleman)
- *New Power* (Jeremy Heimans, Henry Timms)
- One-Minute Manager (Ken Blanchard)
- How Will You Measure Your Life? (Clayton Christensen)

...and so many others...



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

57

57

Conclusion: Leading in Ways That Matter

Some common themes in the Resources:

- Extending and earning trust
- Emotional intelligence
- Vulnerability, authenticity
- Engaging, communicating
- Candor, speaking up
- Inclusive, civil debate
- Collaboration, teamwork
- Commitment to common purpose/goals
- Connecting integrity to business value



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

58

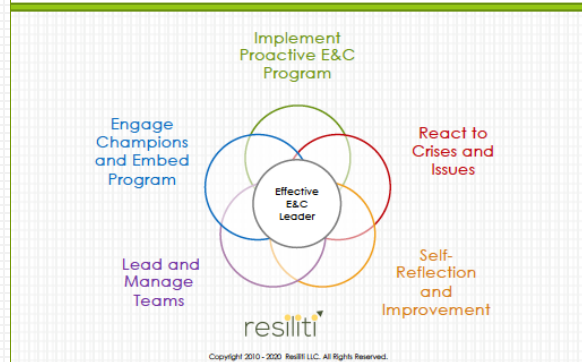
58

You Are a Change Agent...

Back to these questions:

- Who are you leading?
- Where should they follow you?
- Why should they follow you?
- How will you lead them?
- How are your fates correlated?
- Where will your "reservoir of goodwill" come from?

Focus Areas of Effectiveness as an E&C Leader



Copyright 2010 - 2020 Resiliti LLC. All Rights Reserved.

59

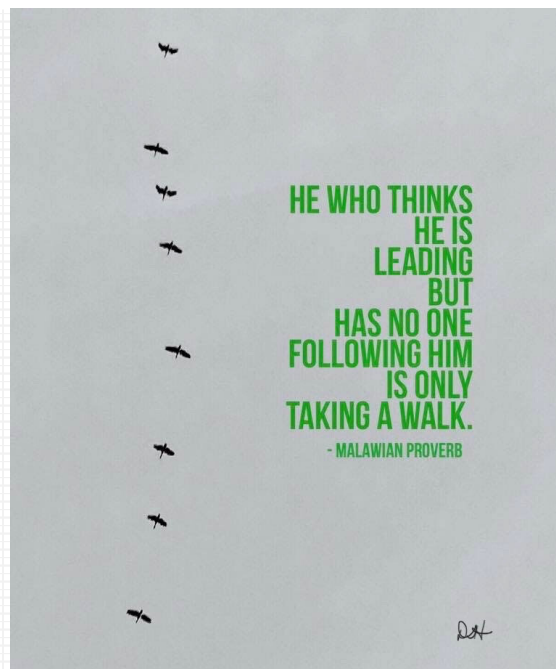
59



Debbie Hennelly
(973) 543-0111
(973) 714-0922
deb@resiliti.com

www.resiliti.com

THANK YOU!



60

60